



**Publicans, Presbyterians and Policy: An
institutionalist analysis of alcohol control policies in
Australia and New Zealand 1900-2010**

by

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Abstract

Alcohol has been heavily regulated around the world for many centuries. Today there are at least as many approaches to alcohol control policies as there are nation states. Despite this policy variation, little research has focused on the forces that have shaped alcohol regulation. Australia and New Zealand had divergent approaches to alcohol regulation despite geographic, cultural, and demographic similarities. Through their histories, alcohol regulations were also heavily debated issues of public importance. Despite this, there has been little or no comparative research which seeks to systematically describe and explain alcohol control policies in the antipodes. This thesis seeks to address this gap in the scholarly literature by providing a detailed historical account of the trajectory of alcohol control policies in Australia and New Zealand and, using the tools of historical institutionalism, proceeds to present an explanation of policy divergence between the cases.

This research focused on the influence of institutions in shaping policy paths and divergence in alcohol controls. The institutions assessed included mid-level political institutions (division of powers, parliamentary structure and practice, constitutional arrangements, and the judiciary) and, consistent with the work of some historical institutionalists and political scientists (such as Lowi), the influence of policy legacies. The approach incorporated a comparative, historical assessment of alcohol control policies (dependent variable) and ideas, actors and institutions (independent variables) over a long time period (1900-2010) to identify divergence and its causes. The research found that in 2010 the alcohol control policies in Australia and New Zealand were less similar than in 1900. This divergence became pronounced after World War One when Australian controls followed a path of incremental change, while New Zealand followed a different path with two brief periods of significant change (World War One and the late 1980s) and rigid stability in between. The divergence was evident in availability controls and other policy tools, including: taxation, drink-driving countermeasures, treatment, advertising controls, and national alcohol policies. Australian alcohol policies were consistent with the incremental change path identified by March and Olsen (1989), whereas New Zealand's diverged after World War One when they followed a different path of rapid and dramatic change at critical junctures followed by "locked-in" rigid stability; consistent with the path identified by Collier and Collier (1991).

The cause of alcohol control policy divergence could be largely explained by institutional variables. Australia and New Zealand had similar cultures, policy actors and exposure to ideas throughout the period. These factors were less significant in shaping the policy divergence. The influential institutions were twofold. The first was divergent political institutions that concentrated power in New Zealand and dispersed it in Australia (especially the federal division of powers), allowing New Zealand governments a greater capacity to intervene in the economy and society and to make significant policy changes. The second was divergent legacies from policy decisions at points in time. For much of the period, policy legacies were more powerful than political institutions in driving divergence. This was demonstrated after New Zealand introduced the General Licensing Poll from 1918, which shaped rigid stability compared to Australia. This was despite political institutions that provided greater opportunity for New Zealand Governments to implement policy changes, a demonstration of the influence of policy legacies. The industry and temperance movement were effective in influencing alcohol control policies when they worked together through a “Presbyterian and Publican” coalition. They were less effective when they worked alone or were divided. The key determinant of whether actors would work in coalition or competition was the feedback from policy legacies. This research confirmed many findings of historical institutionalists and those of Theodore Lowi regarding the important role of policy legacies. The interplay between political institutions and policy legacies were the major drivers of alcohol control policy divergence from 1900 to 2010.

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List of Acronyms

AA	Alcoholics Anonymous
AAB	Australian Association of Brewers
ABV	alcohol by volume – strength of an alcoholic beverage, expressed as a percentage
AFADD	Australian Foundation for Alcohol and Drug Dependence
AHA	Australian Hotels Association
ALAC	Alcoholic Liquor Advisory Council, later the Alcohol Advisory Council
ALSA	Australian Liquor Stores Association
AMA	Australian Medical Association
AMSAD	Australian Medical Society on Alcohol and Drugs
ASEAN	Association of South East Asian Nations
BAC	blood alcohol concentration
BRIC	Brazil, Russia, India and China
BYO	bring your own (alcohol), a permit for which allows diners to bring their own alcohol to consume on the premises
CPI	consumer price index
DALY	disability adjusted life years
DLA	District Licensing Agency
DSICA	Distilled Spirits Industry Council of Australia
EU	European Union
FPP	First Past the Post
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GST	Goods and Services Tax
HI	historical institutionalism
ICAP	International Center for Alcohol Policies – an industry think tank
IMF	International Monetary Fund
LCC	Licensing Control Commission
LLA	Liquor Licensing Authority
LVA	Licensed Victuallers Association
LWA	Living with Alcohol program
MCDS	Ministerial Council on Drug Strategy

MLDA	minimum legal drinking age
MMP	mixed member proportional representation
MP	Member of Parliament
NABIC	National Alcoholic Beverages Industry Council
NAS	National Alcohol Strategy
NCADA	National Campaign against Drug Abuse
NCP	National Competition Policy
NDARC	National Drug and Alcohol Research Centre
NDP	National Drug Policy
NDRI	National Drug Research Institute
NDS	National Drug Strategy
NHMRC	National Health and Medical Research Council
NSA	National Society on Alcoholism
NSAD	New Zealand Society on Alcohol and Drug Dependence
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
QLD	Queensland
RACP	Royal Australasian College of Physicians
RBT	random breath testing
RTD	ready to drink – mixes of alcoholic and non-alcoholic beverages
SA	South Australia
UK	United Kingdom
VAADA	Victorian Alcohol and Drug Association
WA	Western Australia
WCTU	Womens Christian Temperance Union
WET	Wine Equalisation Tax
WFA	Winemakers Federation of Australia
WHO	World Health Organisation

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Chapter 1 Introduction

In December 1918, in the shadow of the Great War, New Zealand's parliamentarians gathered in Wellington to vote on an important piece of legislation. The Bill was to introduce a national referendum on Prohibition or State Control of the liquor trade in conjunction with each General Election, known as the General Licensing Poll. New Zealand's involvement in the Great War was coming to an end, an involvement that took a heavy toll on this British colony making the transition to nationhood. Involvement in the War had stimulated New Zealanders to make sacrifices in the pursuit of national efficiency and supporting the war effort. Just a year earlier the Government had established a National Efficiency Board to report on ways that the country could promote thrift. In line with the recommendations made by the Board (which included such unusual things as mandating the sale of stale bread), the Parliament had already introduced six o'clock closing of hotels. This Bill was a step towards the Board's recommendation for the introduction of Prohibition.

New Zealand had for decades been caught up in the growing fervour and influence of the temperance movement, with its rallies and petitions involving tens of thousands of citizens. Just like their counterparts in Australia, the movement had strongly advocated Prohibition on moral grounds. They were aligned with the non-Conformist Christian churches and considered alcohol to be a sinful product that should be eliminated. The conditions were therefore right for this Bill to become national law. They could not have known it at the time, but the introduction of a General Licensing Poll would have a major impact on alcohol control policies in the country for many decades. The Poll started a period of rigid policy stability, or path dependency, as the controls introduced at the conclusion of World War One were frozen in time until the 1980s. From 1918 the alcohol controls in New Zealand began to significantly diverge from those in Australia, where the Federation incorporated regular changes as new ideas and conditions emerged. This study seeks to explain why alcohol control policy followed quite distinctive trajectories in Australia and New Zealand over much of the 20th century despite both the mounting evidence about the most effective regulations for public and individual health, combined with the fact that the two countries shared common political, economic and cultural foundations.

Yet on the face of it New Zealand's parliamentarians in 1918 did not appear to be making a dramatic decision. New Zealand already had a tradition of holding regular referenda on alcohol controls, including local prohibition polls at each General Election. The General Licensing Poll lasted for another seven decades and by the time it was removed in the 1980s it had become meaningless, with many New Zealanders unaware that it was a vote on alcohol controls. The Poll became a "protest vote" on questions as diverse as nuclear disarmament, abortion and Apartheid. The situation that New Zealand's parliamentarians found themselves in at this critical juncture was a far cry from today's relatively benign political environment for alcohol control policies.

The dilemmas faced by New Zealand's parliamentarians in 1918 in regulating alcohol were faced in every country through history. Globally, alcoholic beverages are today consumed widely and their regulation is undertaken by almost every government in the world. The World Health Organisation (WHO) estimated that alcohol was consumed by 2 billion people (WHO 2004a). The way it is consumed and the impact it has on individuals and society is both complex and varies across and within countries. While alcohol has many social and economic benefits, comprehensive meta-analyses have highlighted the links between alcohol and dozens of forms of disease and trauma (Edwards et al 1994, Babor et al 2003, WHO 2004a). Alcohol control goes back nearly as far as the production of alcoholic beverages themselves, the first governments in Ancient Greece, Rome and Egypt all controlled production, distribution and consumption (Babor et al 2003). In the modern world there are at least as many approaches to alcohol control policies as there are countries. But despite being one of the oldest areas of public policy, there has been very little political science research into alcohol control policies.

Alcohol control policies have a significant impact on public health, social practices and the multi-billion dollar alcoholic beverage and hospitality industries. This study seeks to provide insights into the complex political processes which shape alcohol control policies through a systematic comparison of their historical evolution in Australia and New Zealand. This analysis of alcohol control policy in New Zealand and its nearest and most similar neighbour (Australia) is designed to highlight the extent to which domestic institutions can explain policy divergence between the two cases. Chapter Two will argue that historical institutionalism (HI) provides the most appropriate theoretical framework for analysing and comparing the historical evolution of policy frameworks in different jurisdictions, including

the heavy structuring role played by domestic institutions. The HI approach advocates the use of long time periods and comparison of public policies across countries to highlight how different institutions have a mediating effect on domestic public policy. The comparative approach, with a focus on explaining different paths of development, was identified by Thelen and Steinmo as an important feature of HI (Thelen and Steinmo 1992). Advocates of the approach argued that a focus on how institutions interact with ideas and social and economic conditions to produce public policy could provide valuable insights into the complex causal factors that shape policy dynamics (Hall and Taylor 1996; Hacker 1998; Steinmo, Thelen and Longstreth 1992). The HI approach is especially relevant to the analysis of alcohol control policy given that this study finds it has been the subject of long periods of policy stability, suggesting high levels of path dependency in which institutions may constrain policies along a particular path following critical junctures such as the introduction of the General Licensing Poll in New Zealand in 1918 (Hall and Taylor 1996, Greener 2005).

HI research has also sought to explain change and stability of public policies over time. King (1992) and Hacker (1998) argued that once a particular policy path was chosen, it was very difficult to move to another. Pierson (2003, 2004) also identified how steps down a particular path produced positive feedback that would generate path dependence. However, HI research has not just explained stability. For example, Collier and Collier (1991) argue that at critical junctures, brief periods of rapid change can be caused by external events that involve institutional disruption – often followed by periods of stability (Thelen and Steinmo 1992). An alternative explanation for change is incrementalism, referring to the regular and routine adjustments made through the life of a policy that lead to changes in the long-run. Scholars such as March and Olsen (1989), Pierson (2003, 2004), Hall (1993) and Thelen (2000) argued that incremental changes to public policies could be promoted or constrained by domestic institutions. More recently HI scholars have highlighted how the changing nature of shared discourse or actor's interpretation of their policy context can result in new institutional incentives which in turn lead to policy change (Schmidt 2008, Bell 2011). These revisionist accounts with their sociological explanations of institutional dynamics are innovative in that they can explain more granular agent driven change. However, given this study is concerned with longer term continuity and change in broad policy frameworks the focus of the analysis will be on the mid, or meso, level institutional variables which are the central concern of the first wave of institutional theory.

In comparing the influence of institutions on domestic public policies, the first wave of historical institutionalists focused on meso-level political institutions including: division of powers, parliamentary structure and practice, and constitutions (Hacker 1998, Hall 1993, Skocpol 1985). However, many scholars (Hall and Taylor 1996, Pierson 2004, Thelen 2000, Skocpol 1992, Hacker 1998, Vogel 1996) considered legacies from previous policies to be important institutions. Pierson argued that policies were the institutions that most directly impacted on the daily lives of citizens and established the rules that influenced individual and group behaviour (Pierson 1994, 2004). Prior to this Theodore Lowi had argued that public policies developed their own political structure and influenced politics, and that regulatory policy in particular produced politics based on conflict (Lowi 1964, 1986, 1987). This insight was particularly relevant for alcohol control policies and the ongoing influence of the General Licensing Poll demonstrated how influential the legacies of previous policies could be.

Historical institutionalists compared many social and economic policies across countries over significant periods of time, but not alcohol controls. Similarly, there has been little comparative analysis of Australia and New Zealand from an HI perspective which is surprising given their suitability for ‘most similar’ case analysis. Their many similarities in terms of history, culture, economies and policy actors – combined with their distinct alcohol policy trajectories – established an ideal context for comparing the relative influence of different domestic institutions. There was therefore both a gap in understanding of the forces that shaped comparative and divergent alcohol control policies in Australia and New Zealand, and an opportunity to undertake a comparative assessment of two “most similar” cases. The HI approach provides an opportunity to extend the knowledge about alcohol controls.

Alcohol control policies in Australia and New Zealand were the subject of limited political science and comparative focus by scholars. There has been scholarly research that traced the evolution of alcohol controls and the wider cultural context of alcohol. In Australia, Fitzgerald and Jordan (2009), Lewis (1992), and Room (2010) published relevant general literature on alcohol controls. In New Zealand, Bollinger (1967) Christoffel (2006), and Casswell and Stewart (1986) also published relevant literature. Similarly, Stewart published one of the few comparisons of Australian and New Zealand alcohol control policy in 1997. Despite these and other general literature on Australian and New Zealand alcohol control policies, there was little comparative policy analysis of the course of alcohol controls. Hence

this study is significant because it seeks to explore and explain the divergence in alcohol control policies between the two countries.

Despite the global divergence in alcohol control policies, and the divergence between the otherwise similar countries of Australia and New Zealand, little research has focused on the forces that shape these divergent trajectories. Some public health researchers argued that alcohol control policies in both countries were heavily influenced by the powerful alcoholic beverages industry (Loxley et al 2005, Casswell and Maxwell 2005). Yet this does not effectively outline why there have been, and continue to be, many differences in the approach between Australia and New Zealand. In light of this context and gap in knowledge, the aim of this research is to identify the factors that have shaped divergence in alcohol control policies between Australia and New Zealand. This will be done by analysing the evolution of alcohol control policies in both countries over a long period of time (1900-2010) and comparatively assessing the range of potential influencing factors on these paths including: actors, ideas, social and economic conditions, and institutions. Consistent with the HI approach, the analysis will focus on the influence that institutions have played in shaping the divergence in alcohol controls. As noted above, given the nature of the case studies the institutions to be assessed will include a range of meso-level political institutions and the level of state capacity in each nation state. In addition, and consistent with the work of some historical institutionalists, and earlier scholarship from the likes of Lowi, the comparative influence of policy legacies on alcohol control policy paths will also be assessed.

To achieve this aim, the research will separately and independently trace the course of alcohol control policies in both countries. This is consistent with the HI method applied in other comparative policy studies. Unlike many existing studies on the topic of alcohol regulation, including and especially those focused on public health, this research will not seek to identify optimal alcohol policy solutions for each country. Nor will it advocate for the implementation of particular alcohol control policies. Much research has identified the individual and public health impacts of alcohol, including studies relevant to Australia and New Zealand. Similarly, there has been research that has identified the most effective control policies for achieving the best health, social and economic outcomes. Instead, this research will identify complex and opaque factors and their interplay that have shaped alcohol control policy paths in Australia and New Zealand. Research that helps governments, policy makers and citizens to better understand the drivers of domestic alcohol controls can help in

understanding the context of existing policies. So much time and energy can be wasted in seeking solutions that are impossible or unlikely because of the context. Identifying the complexities and relationships that have combined to deliver domestic policy could help to reshape the alcohol control policy debate. This research will therefore move beyond identifying the optimal alcohol control policy solution in Australia and New Zealand, instead focusing on the specific variables and their interactions over time that have shaped existing policy paths. This will provide insight into the future of alcohol controls in both countries, especially whether the policy paths are likely to converge or diverge.

Thesis Structure

Chapter Two will provide the conceptual and theoretical foundation for the study by outlining the HI approach and how it can be applied to the analysis of alcohol policy. Chapter Two looks at the features of the HI approach and its applications. It identifies a number of key tenets of HI and how the approach can provide insight into public policy by: building an understanding of the drivers of policy stability and change; exploring the role of public policy as a cause and not just an effect; and outlining the importance of history, sequence and timing. It will also explore how historical institutionalists have argued that ideas, interests and actors are structured by institutions. This chapter will also outline the method to be employed in this study based on established comparative and HI studies. This will include a comparative, historical and case based study that uses qualitative data and a structured narrative. It will be argued that this approach is more effective in identifying and explaining the existence of divergence between Australian and New Zealand alcohol control policies. Chapter Three examines the context of alcohol control policies. It shows that alcohol is no ordinary commodity and has had a special place in society throughout history. This has resulted in alcohol being regulated through a range of different approaches. The major tools have included: availability controls, taxation, drink-driving countermeasures, treatment, and advertising controls.

Based on the theory and approach of HI and the global context of alcohol controls outlined in chapters two and three, chapters four to seven trace and describe the development of alcohol control policies and institutions, actors, ideas and conditions in both Australia and New Zealand. To achieve this aim and identify the factors that shaped alcohol control policy convergence and divergence over the period 1900 to 2010, it will trace and describe the

policies and influences in a consistent way across both countries. This allows the policies and the impact of institutions, ideas and actors to be contrasted and compared – an important pre-requisite for answering questions of whether and why policy divergence occurred. Chapters four and five focus on Australian alcohol control and influences, and chapters six and seven perform the same task in respect of New Zealand. Chapter Four traces the development of alcohol control policies in Australia and starts with an assessment of the literature with regard to Australian alcohol control and a brief summary of the pre-1900 context. It then charts the alcohol control policies across the six categories of effective policies identified in chapter three over the period. Chapter Six then replicates this tracing of alcohol controls in New Zealand. Chapter Five traces the development, during the same period analysed in Chapter Four (1900 to 2010), of the key potential influences on alcohol control policies in Australia. This will start with briefly setting the context prior to 1900, before assessing the development of potentially influential ideas, social and economic conditions and key actors and interests (especially temperance and the alcoholic beverages industry). The chapter will then assess some of the key political institutions and policy legacies that had the potential to shape alcohol control policies. Chapter Seven again replicates this tracing of key potential influences on alcohol control policies in New Zealand. These four chapters present the empirical data at the heart of the study.

The two cases presented in Chapters Four to Seven will then be subjected to systematic comparative analysis with reference to HI theory in Chapter Eight. This chapter will assess and discuss divergence between Australian and New Zealand alcohol control policies and identify the factors that shaped the divergence. It will look at each of the six areas of policy to identify the areas of divergence between Australia and New Zealand, and explore both the levels of divergence that occurred and the factors that shaped this divergence. The chapter will then assess the findings of comparative Australian and New Zealand alcohol control with the key findings of historical institutionalists. It will allow the findings from other research to be compared with Australian and New Zealand alcohol control policies. In particular, it will discuss and analyse the impact of distinctive institutions on the divergence in alcohol controls. Chapter Eight will also assess comparative alcohol controls with the findings of Theodore Lowi, who argued that policy legacies were important in shaping and influencing politics (Lowi 1964, 1972, 1987). Lowi's arguments were particularly relevant to Australian and New Zealand alcohol control as the divergent policy legacies heavily influenced the politics of alcohol control and shaped policies over time. Reference to Lowi provides insight

into the extent to which policy legacies shape the comparative policy paths in Australia and New Zealand. Chapter Eight will conclude by articulating a heuristic device that represents the key elements of a complex process of alcohol control policy in the two countries. Chapter Nine will then draw conclusions about the key findings identified and briefly discuss what the future may hold.

Overall this study offers an innovative and original explanation for the comparative evolution of alcohol control policy in Australia and New Zealand. It demonstrates the effectiveness of an HI approach in identifying and explaining the policy divergence between two otherwise very similar countries. The study also provides new insights for policy makers in alcohol control policy about the impact that political institutions and policy legacies have on shaping the course of policy development. While caution will need to be exercised, the findings of this study could provide insight into other policy studies across Australia and New Zealand or for comparative studies of alcohol control systems in other similar countries.

Chapter 2 Theory and Method

2.1 Introduction

There are many approaches to the study of politics and public policy. It is accepted that structures and institutions can shape behaviour; this has been at the core of new institutionalism. The historical institutionalist (HI) approach is influential as an approach to assessing and analysing the long-run path of policy stability and change over time. The approach focuses on the key role that institutions play in structuring politics and policy, and it developed because of empirical observations across many countries and periods in history. One observation was that despite the pressures of new ideas and change motivated actors, public policies have often been stable and resistant to change. Similarly, comparing public policies across countries has demonstrated ongoing divergence. These outcomes are in stark contrast to behaviouralist explanations that would posit that public policies will be the outcome of battles including actors, ideas and politics; or functionalist explanations that would argue for a convergence to a single and effective set of policies across nation states (March and Olsen 1989, Thelen and Steinmo 1992). HI's capacity to explain empirical public policy is a strength and key reason that the approach has developed within political science. This chapter will review a slice of the available literature to explore three key areas. Firstly, to answer the question of what institutionalism is and where it came from. Secondly, to outline the issues that are important in HI analysis, explore why they are important, and assess how an understanding of these may provide insight into public policy. Thirdly, to assess some of the criticisms of the approach and assess whether they demonstrate a reduced efficacy. This chapter will outline the HI focus on the role of institutions, ideas and actors – and their interaction to structure policy. In addition, the role of policy legacies as independent variables will be explored.

HI research includes many comparative assessments of public policy across countries. Welfare policies have been the subject of significant HI focus, as have comparisons of approaches in the United States and United Kingdom (King 1992, Hacker 1998, Immergut 1992, Skrentny 2006, Hall 1993, Pierson 1994). The approach has proven well suited to analysis of social and regulatory public policies, as well as comparing approaches in countries that are culturally similar but have different institutions. Yet there has been no

analysis by HI scholars of the oldest social regulatory policy in the world, alcohol control. HI attempts to explain how the interaction of institutions, economic interests, policy actors, and norms shape policy. Given that alcohol control policy is influenced by all of these, HI is a very relevant approach. Likewise, two culturally similar countries with different institutions, Australia and New Zealand, have not been the subject of significant HI comparative analysis – although there have been examples (Marriott 2009). Much public commentary and academic research around alcohol control policies has sought to contribute to normative debates about the “right” and “wrong” approaches to regulation of these sensitive products. However, there has been little analysis of the prospects for delivering policy change or answering the question of why the approach in each country varies, often dramatically. By using the theory and method of HI, this study aims to provide a more systematic account of the development of alcohol control policy. Before embarking on this analysis of alcohol policy in each country, it is necessary to first identify the underpinnings of the theoretical and methodological approach. This chapter will outline the HI approach and assess its relevance for an analysis of alcohol policy.

Consistent with other HI research, this work will adopt a comparative, historical and qualitative approach. This approach will allow a thorough exploration of the development of alcohol control policy in Australia and New Zealand and to identify how institutions shape policy. HI researchers have demonstrated a capacity to identify the variables that shape policy development through the use of this approach. Using a consistent approach and scope for the two cases will allow the expression of divergence and convergence, as well as the similarities or differences in institutions that could drive the development path in each country. This chapter will set out the research design and identify the question, approach, stance, method, and theory. It will also identify how the data will be sourced, presented and analysed.

By adopting a HI approach there are some big questions that this research will seek to answer. The approach has been well suited to the assessment of policy development paths by focusing on the meso level. HI research has focused on a level that sits above the micro and routine decision making that governments engage in constantly and below the macro level of long term shifts in society and the broader political economy. This level of major policy direction is the area of interest for citizens and the key actors and interest groups that form the policy community. An HI approach that comparatively assesses policy can set up a

number of significant questions to be answered. This approach can identify whether the policy experiences of the two countries exhibited convergence or divergence, and what the likely causes were. Similarly, the approach can identify the policy development path of each country and whether it was prone to rigid stability punctuated by rapid and dramatic change, or if it followed a path of more regular and incremental change. Importantly, the approach can assist in identifying the factors that had the most significant influence on the comparative policy development paths; in particular which institutions had a shaping effect and how they shaped the influence of ideas, actors and socio-economic conditions. This chapter will explore how this approach to research can shed light on some of these big questions in public policy.

2.2 Institutionalism

Institutionalism had its genesis in the late 19th and early 20th centuries. The approach, now referred to as “old institutionalism”, formed an important part of political and legal scholarship. It was characterised by: the central role of law, the importance of structure as a determinant of behaviour, comparisons at the system level, historical foundations of analysis, and normative elements of analysis (Peters 1999, 6). The approach adopted methods similar to the historian by providing a detailed narrative via cross-national comparisons primarily focused on formal institutions (Hall 2003, 376; Rhodes 1995, 43). Old institutionalism thoroughly researched and described political “systems” by comparing institutions across countries, including: separation of powers, constitutions, political parties, electoral systems, and federalism. There was a focus on describing the key differences between institutions, how they developed and how they operated (Rhodes 1995, 46).

Old institutionalism was challenged and replaced as the dominant approach by “behaviouralism”, especially after World War Two. Scholars from this school were highly critical of the study of institutions, arguing that it could not explain policy or power because it did not cover all of the relevant variables and suffered from theoretical malnutrition (Rhodes 1995, 48). During the 1950s and 1960s, behaviouralism dominated political science (especially in the United States) and its proponents had a strong focus on the individual as the building block of understanding events at the system level, arguing it was important to understand consumers to understand markets, voters to understand politics, and bureaucrats

to understand bureaucracies (March and Olsen 1983, 736). The summation of individual desires could therefore lead to an understanding of the public interest (Immergut 1998, 11). Behaviouralism viewed institutions as merely arenas for individuals and groups to engage in contests for control of the agenda, the outcome was driven by factors such as interest group resources (March and Olsen 1983, 734). Individuals and the groups that they formed were the real drivers of public policy outcomes (Skocpol 1985, 4). Behaviouralists also viewed socioeconomic factors as important drivers of politics and policy, including: class, geography, ethnicity, culture, economic conditions, demography, technology, and religion. The argument that these structural factors were mediated by the state, institutions and policies was not entertained (March and Olsen 1983, 735). March and Olsen argued that behaviouralists made three assumptions about preferences: they were stable (current preferences are the same as future preferences), they were unambiguous (choices are clearly indicated), and they were exogenous (preferences precede choices and are independent of the choice process) (March and Olsen 1983, 737). This simplistic view of interests reduced the need for an assessment of their formation, instead focusing on how they were pursued.

The behavioural school witnessed an unprecedented level of theoretical development. There was a focus on making the study of politics more akin to a science through the use of principles from the natural sciences to explain the political system (Peters 1999, 11). This was in stark contrast to the “old institutionalist” focus on presenting empirical evidence through a narrative. Behaviouralists viewed politics as the result of efficient historical processes that involved rapid movement to a unique solution that may be independent of the historical events leading to it. The focus on efficiency meant that politics was considered to operate in a similar fashion to markets (March and Olsen 1983, 737). Institutions were viewed in terms of the functions that they performed, with an assumption that they would help actors to achieve gains and resolve collective action problems (Thelen 2003, 214). March and Olsen summarised some of the key behavioural principles of politics as: contextual, reductionist, utilitarian, instrumentalist and functionalist (March and Olsen 1989).

During the 1980s and 1990s there was growing criticism of the behaviouralist orthodoxy. Weir and Skocpol argued that behaviouralists failed to give significant weight to states as capable of autonomous action or as a complex array of existing policies and institutions (Weir and Skocpol 1985, 117). Others pointed to limitations of the approach when it came to institutions, arguing that institutional designers may not act instrumentally and that

institutional effects may be unanticipated (Pierson 2004). Behaviouralists used statistical methods (including standard regression models) to explain political phenomena. Critics bemoaned that comparative work regarded statistical methods as superior, arguing that qualitative analysis offered richer explanations (Hall 2003, 374-84). As a result of these criticisms, scholars sought to provide alternative explanations for empirically observed outcomes. While still considering economic conditions, cultural values and interest group power, the new institutional approach sought to understand how these factors interacted with and were influenced by mid-level institutions of the state to produce outcomes. Thelen and Steinmo argued that the economic shocks of the 1970s and diversity of national responses led to a search for explanations of empirical outcomes and an increased focus on the state as an autonomous actor (Thelen and Steinmo 1992, 5).

The criticisms of behaviouralism and reaction against its tenets led to a new approach to the study of politics. This approach became known as “new institutionalism”, a term first used by March and Olsen in 1983. They argued for a more autonomous role for political institutions, considering them as political actors in their own right (March and Olsen 1983, 738). Whereas behaviouralism considered the state to be affected by society, new institutionalism argued that society was also affected by the state (March and Olsen 1989, 17). This would become a defining element of new institutionalism, representing a sharp change from behaviouralist views. Another feature was the impact of institutions on preferences and actor resources. Preferences and interests were previously considered to be exogenous to politics but March and Olsen argued that they were heavily influenced by institutional processes (March and Olsen 1983, 739; 1989, 56). They stressed that modern states were complex, involving complicated relationships between institutions, individuals and events (March and Olsen 1983, 740).

New institutionalism was well suited to the study of public policy. An important component of new institutionalist analysis was the focus on the nation state and its institutions (Hall 1997, 180). The state as a primary unit of analysis differed sharply from accounts where actors, interest groups or political parties were the unit of analysis. Rather than viewing institutions as the dependent variable (the outcome to be explained), institutions were viewed as the independent variable that could explain behaviour and political change (Rothstein 1992, 2). Therefore the patterning of social life was not produced solely by the aggregation of individual behaviour but also by institutions that structured action (Clemens and Cook

1999, 442). Researchers needed to analyse institutions, rather than assuming them to be a passive set of laws or customs that reflect the dominant social values or political conflict. Institutions were therefore constraints on action that marginalised political conflict as an explanation of outcomes (Clemens and Cook 1999, 442). Whereas political conflicts were viewed as the keys to gaining political and policy outcomes according to behaviouralists, new institutionalism showed that there may be significant constraints on action, interests and resources provided by institutions (Rhodes 1995, 48).

The new institutionalist approach returned institutions to a central pillar of the discipline of politics because they were viewed as imposing order on an otherwise chaotic world (Rhodes 1995, 43; March and Olsen 1983, 743). The approach started with an understanding of the importance of institutions and sought to identify how they interacted with politics to structure stability and change (March and Olsen 1989, 16). Institutions played a vital role in setting the framework for politics to take place and structured actors and their resources (March and Olsen 1989, 18). Rather than just the playing field for politics, institutions structured who plays the game and their capacity to win when they get there (Rhodes 1995, 46; March and Olsen 1983, 738). Institutions were viewed as powerful political actors that structured outcomes. In an analysis of health policy in Sweden, Switzerland and France, Immergut argued that institutions made some courses of action more difficult while facilitating others, thereby redefining alternatives and actors. Different institutions resulted in different outcomes despite consistent cross-national influences (Immergut 1992). New institutionalism argued that the impact of social forces should never be taken for granted as the *interaction* between different domestic institutions and forces or ideas could produce vastly different outcomes (Beland and Hacker 2004, 44). New institutionalists did not take a deterministic view that outcomes could be predicted according to domestic institutions. Instead, it provided a sophisticated explanation of how factors such as ideas and preferences interacted with institutions to produce outcomes (Steinmo and Thelen 1992, 27).

Because states have the capacity for autonomous action and could influence politics and public policy, the institutions of the state were vital in new institutionalist analysis (Weir and Skocpol 1985, 118; Hall 1993). The focus was on intermediate institutions and their structuring influence. At the highest level were the basic structures associated with a democratic and capitalist nation state (regular elections, property rights). At the middle level were features for the organisation of state and society, often where there were cross-national

differences (separation of powers, division of powers, state capacity, and political parties). At the bottom level were the detailed operating procedures, regulations and routines that were described as norms in sociological variants of new institutionalism (Hall 1992; Hacker 1998, 70). Thelen and Steinmo argued that new institutionalism focused on intermediate level institutions and this provided an opportunity to compare across countries to identify variations (Thelen and Steinmo 1992). In a comparative analysis of railroad policy in 19th century United States and Prussia, Dunlavy highlighted how state structures offered different opportunities for business to escape regulatory burdens and hence lead to divergent policies and outcomes (Dunlavy 1992). Skocpol argued that state actions attempted to preserve or strengthen existing policy arrangements, promoting stability and incumbency (Skocpol 1985, 15). Vogel also found that states drove the regulatory reform process more than interest group pressure (Vogel 1996, 4). Vogel and Skocpol's arguments shared a common thread, that the state was an important autonomous actor in the policy process.

The division of powers and state capacity were two areas of cross-national difference that were a focus for new institutionalists. Hacker's comparative assessment of US, UK and Canadian medical policy found that federalism had a profound impact on social policy by: dispersing authority, multiple arenas of representation increased the number of veto points, and regional jurisdictions created opportunities for exit where interests were threatened (Hacker 1998, 71). New institutionalists argued that federalism could create formidable barriers to implementing policy changes (Weir 1992) and could present obstacles to the establishment of new policies (Clemens and Cook 1999). Dunlavy found that railroad capitalists used the federal system to escape regulation by "jurisdiction shopping" (Dunlavy 1992). State capacities included the extent of previous interventions, financial resources and administrative expertise. These were important because they directly influenced the extent of the state as an autonomous policy actor. Evans, Rueschemeyer and Skocpol argued that the unevenness of state capacities could be the most important structural feature for the analyst to recognise (Evans Rueschemeyer and Skocpol 1985, 351).

The question of whether structure or agency was the primary factor in causing social change was an empirical factor that led researchers to focus on the role of institutions (Rothstein 1992). New institutionalists argued that an institutional approach could allow a better understanding of the relationship between structure and agents (Hall and Taylor 1998). Institutions could form powerful constraints on actors and could give certain agents

advantages (Rothstein 1992). Doubts have been raised about the ability of new institutionalism to address the problems of structure and agency (Greener 2005, 63; Campbell 1998, 399), although Bell (2011) argued that agent-centred HI accounts can focus on active agency within institutional settings and the importance of institutional dynamics.

A second problem for new institutionalists was why actors pursue goals and strategies that may not be in their best interest. New institutionalists argued that action was often based on appropriateness, rather than calculating returns from alternative choices. Actors would follow institutional routines, even when not in their self-interest to do so (March and Olsen 1989, 22) and seek to realize complex goals where they had less than complete information that may be shown to be incorrect after the event (Hay and Wincott 1998, 954). Actors may in fact try to hedge their bets in an uncertain world rather than try to maximise their self-interest (Immergut 1998, 25). This required analysis to be sensitive to actors not always being “utility maximisers” but instead “rule following satisficers”. A key insight was that actors were constituted by institutions and that institutions made actor behaviour more predictable (Clemens and Cook 1999).

Another feature from the empirical evidence was the distinctive national paths of development and whether institutions could lead to divergent policies. New institutionalists argued that institutions structured patterns of development. Hacker found substantial differences in the medical policies of the US, UK, and Canada and argued that policies enacted at a point in time restructured economic markets and political dynamics (Hacker 1998, 58-9). Zysman argued that national institutional structure was crucial to explaining and understanding economic diversity across countries (Zysman 1994, 260). Vogel argued that there were distinct national patterns that demonstrated different responses to common challenges. Established patterns of economic regulation meant different patterns of deregulation during the 1980s and 1990s (Vogel 1996, 256). Immergut argued that institutions set the rules of the game and allowed predictions of the arena and manner in which political battles would be fought (Immergut 1992).

New institutionalism did not develop a single uniform approach. It contained variants with differences in foundations and base assumptions. Up to seven variants of institutionalism have been identified: normative, rational choice, historical, empirical, international, sociological, and interest representation (Peters 1999, 19). However, there are three widely

accepted variants: rational choice, sociological, and historical institutionalism (Thelen 1999, 369; Hall and Taylor 1996). In addition, discursive institutionalism (or constructivist institutionalism) has emerged as another potential variant of new institutionalism (Schmidt 2008, Bell 2011). As the approach developed it became common for institutionalists to borrow heavily across variants (Thelen 1999, 370).

1. Rational Choice – According to rational choice institutionalism, politics is a series of collective action dilemmas because behaviour is driven by a strategic calculation of how others are likely to behave (Hall and Taylor 1996, 945). Institutions are designed to help overcome market failures and provide a set of rules and methods of enforcement that can stabilise expectations and resolve the inherent uncertainties of collective action, they have a functional logic (Gorges 2001, 139). Institutions are expected to be maintained because of the benefits that they provide to actors (Hall and Taylor 1996, 945). Rational choice institutionalists bring assumptions about human behaviour and preference formation. Rational choice tends to focus on micro foundations to a greater extent than other variants and starts with the individual and then asks how and why institutions were formed (Thelen 1999, 379). Rational choice scholars give greater weight to actor preferences being formed exogenously to the political process, although the strategies they used tend to be influenced by institutions (Hall and Taylor 1996, 951; Thelen 1999, 375; Thelen and Steinmo 1992, 9).

Rational choice highlights the role of strategic action consistent with the principles of rationality. Actors are assumed to be calculating in formulating strategies (consistent with their interests) and rational action is viewed as the key determinant of political outcomes (Hall and Taylor 1996, 951). This leads rational choice institutionalists to use game theory to demonstrate the need for institutions to assist in the coordination of actor behaviour into more predictable patterns (Immergut 1998, 13). Rational choice is not without critics. Of all the variants, it is considered to have the greatest similarity to the behaviouralist tradition and criticisms include: the tendency to over simplify, its positivist ethic, the commitment to scientific methods and universalism, the difficulty in falsifying predictions, the lack of a strong link between theory and evidence, and the difficulty in using the model to predict policy outcomes (Peters 1999, 61; Levi 1997, 36).

2. Sociological – A second variant, known as sociological institutionalism is popular in the discipline of sociology, but has also had a significant impact on political science, and focuses

on the impact of institutions within organisations. It varies sharply from rational choice and has different views about the role that institutions play, how they influence preferences and how change can occur. Sociological institutionalists consider the role of history and how institutions incorporate historical experiences into their rules (DiMaggio and Powell 1991, 33). They take a broader view when defining institutions by including informal institutions such as: symbols, scripts and frames that they argue also guide human action (Hall and Taylor 1996, 947). Whereas rational choice views the establishment of institutions as a deliberate act to transcend the problems of collective action, sociological sees institutions as created by actors responding in a way they deem appropriate (Pierson 2000, 478; Immergut 1998, 16). Institutions are created by “rule following satisficers” and may not just become inefficient over time but may have started their existence as inefficient. Sociological institutionalism has a strong research interest in organisations and how institutions impact on their development. Scholars argued that each society creates political, economic and social institutions that both limit and direct the development of particular organisational forms (Orru, Biggart and Hamilton in DiMaggio and Powell 1991, 387), and that new institutions may arise to further the legitimacy of existing organisational forms (Gorges 2001, 139).

Institutional isomorphism is a concept developed by sociological institutionalists that highlights how the process of institutionalisation is constraining and forces actors and organisations to resemble each other (Gorges 2001, 139). This leads sociological institutionalists to explain why organisations become more homogeneous and why irrationality and lack of innovation are so common (DiMaggio and Powell 1991, 79). Orru, Biggart and Hamilton argued that organisations in the same environment will become structurally similar (Orru, Biggart and Hamilton in DiMaggio and Powell 1991, 361). Fligstein argued that firms that have changed their strategy often sought to emulate other organisations in their field that acted as role models (Fligstein in DiMaggio and Powell 1991, 334). Sociological institutionalists also argue that actors within organisations do not have sufficient time and information to act rationally and therefore will revert to institutions like standard operating procedures (Immergut 1998, 14).

Sociological institutionalism differs sharply from rational choice on the question of preference formation. Actors and their interests are considered institutional constructs (DiMaggio and Powell 1991, 28). Where rational choice takes interests as given, sociological specifies the ways in which institutions have a significant impact on them (Hall and Taylor

1996, 951). Actors are therefore institutionally constrained in their actions and reliant on institutions for their identity. Sociological institutionalism is criticised as: unable to effectively explain change, unable to differentiate between organisations and institutions, and a lack of distinction between institutions as entities and the process of institutionalisation (Peters 1999, 97; Thelen 1999, 386). The focus on informal institutions also makes proving or disproving arguments difficult.

3. *Historical* – Historical institutionalism (HI) is the most significant variant of the new institutionalist approach in political science. In the early 1990s HI grew as a defined approach to the study of politics and public policy (Peters, Pierre and King 2005). A 1992 conference and publication by Steinmo, Thelen and Longstreth (*Structuring Politics*) established HI as a defined approach by bringing together research covering a vast range of topics (Steinmo, Thelen and Longstreth 1992). A feature of HI research is a comparative focus on explaining different paths of development taken by particular countries (Peters 1999, Thelen and Steinmo 1992). HI arguments are typically structural in nature and often demonstrate how institutions shape social and political life (Hall and Taylor 1996, 937). This is in contrast to the behavioural focus on individuals as the building block.

Whereas old institutionalism was concerned with how national institutions functioned, HI focused on how institutions interact with socioeconomic factors and ideas to produce policy and how institutions adapt and develop over time (Hall and Taylor 1996, 937; Lawson 2006; Steinmo, Thelen and Longstreth 1992, 27; Hacker 1998, 60). Institutions were viewed as a persistent feature of the political landscape that directed development along a particular path and constrained options for actors (Hall and Taylor 1996, 941; Greener 2005, 62). HI scholars largely took a broad approach to defining institutions that captured formal government structures, legal institutions, economic institutions, and social institutions. HI rejected functional explanations for the existence of institutions, instead viewing them as enduring legacies of previous political struggles that may or may not be efficient (Thelen 1999, 388). The focus tended to be on political institutions, whereas sociological institutionalists focused on informal institutions. The HI approach also had a focus on stability due to the change resistant nature of institutions, a phenomenon known as path dependence (Hall and Taylor 1996, 940; Peters 1999, 68). Scholars divided historical development into periods of stability (path dependence) interrupted periodically by moments of turbulent change (critical junctures) (Gorges 2001, 138; Hall and Taylor 1996, 942; Peters

1999, 69). HI scholars also explained incremental change through conversion, layering or drift (Peters 1999, 69). Hay (1998) developed the concept of “punctuated evolution” to explain iterative yet cumulative change informed by particular paradigms.

A key feature of HI is the treatment of interests as endogenous to the political process because of the role that institutions play in shaping preferences (Thelen 1999, 375; Steinmo, Thelen and Longstreth 1992, 9; Immergut 1998, 17). HI scholars argued that political behaviour cannot be directly related to the interests of individuals (Kato 1996, 560). The goals and strategies that actors pursued were shaped by institutions and required examination and explanation, rather than being assumed (Ostrom 1995, 174; Steinmo, Thelen and Longstreth 1992, 8-9). There was therefore a focus on how particular interests gained political saliency, and how these interests could be political products and not just causes (Katznelson 1997, 104; Hall and Taylor 1996, 954). This went beyond viewing actors as operating strategically and instead looked at how goals were selected over others (Steinmo, Thelen and Longstreth 1992, 9). Whereas rational choice centralised equilibrium, institutions were viewed as the legacy of historical processes and conflicts (Thelen 1999, 382). The importance of historically generated context was a consistent theme and how unintended factors may combine to have lasting effects (Immergut 1998, 19).

Policy legacies were considered an institution by historical institutionalists who argued that past policy encouraged interests to organise in ways that preserved policies (Hall and Taylor 1996, 941; Kay 2006; Pierson 2004). Choices made when a policy is initiated will therefore have an ongoing and powerful influence into the future (Peters 1999, 63). This echoed Lowi’s earlier observations from the 1960s that policy creates politics (Lowi 1964, 689; 1972, 299). HI scholars argued that policy could be just as constraining as other institutions and was more than an outcome of political conflict. HI treated public policies as important institutions that combined with political institutions and socioeconomic factors to structure markets, politics, and how individuals discover their interests.

Historical institutionalism also came in for criticism. Immergut argued that HI walked a fine line between the anarchy of postmodernism and determinism (Immergut 1998, 27). Like other variants, it was criticised as having little capacity to predict change (Peters 1999, 68). There was also the difficulty in identifying and understanding the relationship between the system and individual (Hall and Taylor 1996, 950; Peters 1999, 71).

Notwithstanding these limitations, HI is well suited to the research question (discussed later in this chapter) that compares alcohol control policy in Australia and New Zealand. HI is well suited to comparative studies with a long time horizon that look to assess the mediating influence of institutions on policy paths and to explain ongoing policy divergence across otherwise similar countries. The HI approach will help to identify how institutions have shaped policy stability and change, and the influence of ideas, actors and socio-economic conditions on alcohol controls in Australia and New Zealand. A broad and flexible application of HI will also facilitate an exploration of the shaping influence of policy legacies, consistent with the work of Pierson and Lowi.

2.3 Key Insights from Historical Institutionalism

Over the last decade there has been a convergence between the variants of new institutionalism. This has been particularly pronounced between HI and sociological institutionalism. An example is the development of “discursive institutionalism”, which has attempted to provide greater insight into the role of ideas and discourse and provide more dynamic explanations for institutional change (Schmidt 2008). This potential variant has sought to build on rational choice, sociological and historical institutionalisms by providing different perspectives on institutions, ideas, and actors and their interests (Schmidt 2008). However, discursive institutionalism has been criticised as exaggerating the problems that HI has in explaining institutional change and the role of actors and ideas (Bell 2011).

The following section will explore some of the key claims and findings that have emerged from the HI approach. This will build on the brief summary of HI and the other variants of new institutionalism.

Stability and Change

HI scholars have argued that institutions have a tendency towards inertia. This is explored through concepts of path dependence, whereby once particular paths are chosen it is difficult to move to another path (Greener 2005, 62). HI scholars treat stable patterns of policy as normal, and major changes are considered rare. They argue that institutions generally

constrain change, rather than providing opportunities for it (Hacker 1998, 79). King confirmed this in an assessment of welfare to work legislation in Britain and the United States (King 1992). Similarly, Hacker's research into health policy in Britain, Canada and the United States argued that opportunities for fundamental change were rare and that reform efforts commonly ended in failure due to institutional legacies, especially inherited policies (Hacker 1998, 80-126). Hacker argued that very few systems have experienced fundamental shifts (Hacker 2005, 75).

Whereas behaviouralists considered radical policy change entirely possible so long as major interest groups and the electorate were supportive, HI scholars argued that there were hurdles that scuttled major reform movements. Even with widespread support from interest groups and elites, barriers created by the institutional environment were enormous (Hacker 1998). March and Olsen argued that while incremental changes can often succeed, comprehensive reform tends to consolidate opposition and faces likely failure. The changes resulting from efforts at major reform were small when compared to incremental change (March and Olsen 1989). This led reformers to question whether working within the existing policy framework and the sacrifices they must make to do so will be outweighed by the huge costs of seeking major revisions to policies (Hacker 2005).

Historical institutionalists argued that institutions constrain and refract politics. Thelen and Steinmo argued that HI must tread a very fine line between highlighting institutional constraints and determinism (Thelen and Steinmo 1992, 15). HI scholars argued that the interplay between institutions of government, electoral rules, political parties, previous policies, and socioeconomic factors – as well as their change over time – created limits and opportunities within which policies were designed and changed (Skocpol 1992, 527). Institutions and feedback from previous choices often limit choices and scope for change because the accumulated investments by actors can make change very costly, especially if the institution has been in place for an extended period of time (Pierson 2004, 152). Weir and Skocpol's assessment of responses to the Great Depression in Great Britain, Sweden and the United States found that the United States' strength of local power bases and the determination of the Congress to block strong federal executive controls were the major barriers to a coordinated system of social spending. Despite the same hopes for new social programs, the United States was unable to parallel the achievements in Sweden because of the particular nature of their institutions (Weir and Skocpol 1985, 145-6).

HI scholars argued that actors adapt to the rules of the game as defined by institutions and will make extensive commitments on the expectation that the existing rules will continue (Pierson 2004, 147). Because of the signals sent by governments through policies, these commitments increase the disruption caused by change and help to “lock in” the existing framework (Pierson 1994, 42). Actor adaptation reflects and reinforces the system. Where actors have applied their assets, they will become even more committed to its continuation (Thelen 1999, 392; Pierson 2004, 148). When actors adapt their strategies, the collective weight of this has significance at the system level. Trampusch’s research into early retirement policies in Germany demonstrated how a minor policy innovation had major consequences as the policy expanded through increasing actor adoption (Trampusch 2005, 220). Rothstein found that the Swedish Ghent system of social insurance had remained because of unions, who defended a voluntary and suboptimal system against a compulsory system that could protect all workers because of the strength and membership that it gave the labour movement (Rothstein 1992). Institutional and policy designers may also seek to bind themselves or their successors through “credible commitments” that include change resistant components being “built in” (Pierson 2000, 491).

Historical institutionalists also argued that some institutional configurations provide veto points to scuttle policy changes. Paying attention to institutional veto points gives insight into the resilience of existing institutions and likely paths of reform (Pierson 2004, 146). Analysis of veto points can demonstrate how institutions provide opportunities for interest groups to influence policy (Ostrom 1995, 175). Their location varies across countries, making comparative studies highly relevant (Thelen and Steinmo 1992, 7). Immergut and Dunlavy both highlighted that veto points help in understanding policy trajectories. Immergut argued that different health policies developed partly because constitutional provisions provided different veto opportunities for powerful interests to oppose change (Immergut 1992). Dunlavy argued that veto points in the United States meant that State Governments lacked the ability to regulate railroad capitalists, leading to a different policy outcome to Prussia (Dunlavy 1992).

Historical institutionalists have also developed explanations for patterns of stability and change. The punctuated equilibrium or critical junctures concepts were developed by Collier and Collier in *Shaping the Political Arena*. These concepts focus on the long periods of

stability interrupted periodically by brief periods of rapid change that leave an ongoing legacy (Vogel 1996, 23; Collier and Collier 1991). Substantial change occurs at critical junctures and is brought about through sharp breaks from the established trajectory (Greener 2005, 64; Peters, Pierre and King 2005). Crises emanate from external changes and at the moment of breakdown, politics will shape institutions, rather than the reverse which is true during periods of stability (Thelen and Steinmo 1992, 15). Predating Collier and Collier, Kingdon's *Agendas, alternatives, and public policies* identified how separate streams of problems, policies and politics come together at certain times. Kingdon referred to these as "policy windows", when solutions become joined to problems and favourable political forces, leading to substantial change. Policy windows can be opened either by the sudden appearance of new problems or political changes (Kingdon 1984, 204). March and Olsen noted that the policy solutions selected at critical junctures are then frozen into structures within which there are few changes (March and Olsen 1989, 95). Reflecting such claims, the case study which follows will assess which institutions support a course involving critical junctures.

Critical junctures literature has focussed on periods of significant change that produce distinct legacies (Hacker 1998, 78). The legacies of some critical junctures are stable, whereas others can produce a pattern that prevents stability (Collier and Collier 1991; Pierson 2004, 70).¹ A critical juncture requires a significant departure from the established historical path (generative cleavage) and the change has to happen rapidly (Hogan 2006). Two factors that determine the likelihood of policy change during a critical juncture are the incentives and constraints created by political institutions and the inherited legacies of past policies (Hacker 1998, 127). Critical junctures analysis allows predictions of future paths, once the foundations of an institution are understood then assessments about how they may be replaced become possible (Thelen 1999, 400). This emphasis on critical junctures is not without critics, including the lack of firm criteria to determine the extent of change (Hogan 2006). Much critical junctures work has also failed to demonstrate how the outcomes of critical junctures are translated into lasting legacies (Thelen 1999, 390). The empirical world has also demonstrated that many systems support regular but minor changes, as opposed to punctuated equilibrium.

¹ Collier and Collier used Latin American regimes as the focus; this can explain why their work identified dramatic and often violent change as an inevitable outcome.

Incrementalism explains the regular and minor adjustments and refinements made through the life of an institution or policy (Hall 1993, 280). Incrementalism is supported by the empirical evidence of minor policy adjustments that governments constantly engage in (Heclo 1974, 315; Thelen 2000, 104). March and Olsen found that incremental changes are more likely to succeed than major efforts at reform, and that the changes resulting from major reform efforts appear small compared to ongoing and regular changes (March and Olsen 1989, 83). They argued that while institutions allow incremental change, they may also constrain it which will lead to long periods of stability, punctuated by abrupt change (March and Olsen 1989, 85). Some institutions have been found to support incremental change. Skrentny, reviewing regulation in the United States, argued that separation of powers and divided sovereignty lead to incremental policy making (Skrentny 2006).

Historical institutionalists developed five explanations for understanding incremental change: conversion, layering, displacement, drift and exhaustion². *Conversion* is where existing institutions are redirected to new purposes, creating change in the roles they perform or the functions they serve (Pierson 2004, 138; Streeck and Thelen 2005, 26). Conversion contributes to both institutional continuity and change, though not in the sequence of institutional creation, reproduction and breakdown (Thelen 2000, 105). *Layering* retains existing arrangements while adding on new institutions to possibly modify the existing set (Pierson 2004, 137). Through layering, reformers learn to work around elements of an institution that have become unchangeable, making change possible (Streeck and Thelen 2005, 23). Layering can emerge where there are new challenges but the actors remain the same (Thelen 2003, 232). *Drift* is where institutions fail to be refocused to meet changes in the environment in which they are embedded, and become the subject of erosion (Hacker

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- ² Hacker identified conversion, layering and drift as key (Hacker 2005, 41);
 - Hogan identified layering, conversion, displacement and drift (Hogan 2006);
 - Lieberman and Palier identified layering as important (Lieberman 2002, 702; Palier 2005, 130);
 - Pierson identified layering and conversion (Pierson 2004, 137);
 - Streeck and Thelen identified displacement, layering, drift, conversion and exhaustion (Streeck and Thelen 2005, 19); and
 - Thelen argued for conversion and layering (Thelen 2003, 225).

2005, 70; Streeck and Thelen 2005, 24). *Displacement* occurs either endogenously through the activation of previously suppressed possibilities or through exogenous invasion including the supplanting of institutions by political victors (Streeck and Thelen 2005, 21). *Exhaustion* leads to institutional breakdown rather than change, but through gradual means (Streeck and Thelen 2005, 29). Alternative explanations for change have been advocated that involve a “punctuated evolution” where there is a significant change in dominant paradigms that take time to result in institutional change (Hay 1998).

A tension within HI is whether change is caused by events exogenous or endogenous to institutions. The approach is divided on this question. The emphasis on stability has driven some to argue that the sources of change are external shocks (Lieberman 2002, 701). However, research is beginning to view endogenous change as compatible (Streeck and Thelen 2005, 7; Greener 2005, 69). Lindner and Rittberger argued that European Union budgetary rules were the subject of institutional change that was not prompted by an exogenous event (Lindner and Rittberger 2003, 468). Deeg argued that German and Italian finance policies demonstrated that it was not always an exogenous force that disturbed the equilibrium (Deeg 2005, 195). Streeck and Thelen argued that change can be advanced by endogenous forces but requiring outside support (Streeck and Thelen 2005, 22).

Role of Public Policy

A developing argument within HI is that public policies have a significant impact on future policy. Public policies should not just be viewed as the dependent variable but an independent variable, and should be considered institutions because of the rules that they establish which influence both individual and group behaviour. Pierson argued that the institutions that affect the modern citizen most directly in daily life are public policies, rather than the formal political institutions that have tended to preoccupy political scientists (Pierson 2004, 165). Streeck and Thelen agreed that policies are institutions because they impose rules on actors that are legitimate and can be enforced by agents acting on behalf of the state (Streeck and Thelen 2005, 12). Given the century long timeframe in the analysis to follow, there is clearly scope for the institutionalisation of public policies. HI is increasingly emphasising that policies create politics (Pierson 1994, 39). Research is exploring the ways that policies create constituencies, generate expectations, and facilitate certain interests (Thelen 2000, 102). Skocpol argued that policies reshaped institutions and politics, making

some developments more likely and hindering the possibilities for others (Skocpol 1992, 531). Hacker found that public policies pushed countries down distinctive development paths with unique political dynamics (Hacker 1998, 82).

Public policies also impact on actors, interests, and the goals and strategies they employ. Pierson argued that the rules inherent in public policies influence how political and economic resources are allocated, changing the costs and benefits of certain political strategies (Pierson 1994, 40). The structure of interest groups and their political goals can change in response to the policies that they confront and hope to sustain or modify (Pierson 1994, 40). Weir and Skocpol found that political coalitions gained leverage and came together (or broke apart) in response to the effects of state policies (Weir and Skocpol 1985, 149). Policies can also directly influence interest group resources, such as when policies provide funding to organisations or provide incentives for individuals to join them (Pierson 1994, 40). Past policy encourages actors to organise along particular lines, to adopt particular identities, and to develop interests in policies that become hard to shift (Hall and Taylor 1996, 941). They shape the incentives and resources of actors and create strong coalitions that protect the existing arrangements (Pierson 1994, 9; Pierson 2004, 35). Skocpol argued that feedback effects from previous policy were a major influence on United States social policy because policies transform or expand the capacities of the state, and affect the identities, goals and capabilities of groups (Skocpol 1992, 58). Policies also build constituencies of interests who benefit from their ongoing existence. Networks of actors embed themselves around policies and programs, presenting a significant challenge to those who would seek to change them (Hacker 1998, 130). Pierson argued that the welfare state expanded government activity and led to the growth of groups that were established to protect their members' interests of program and policy continuance (Pierson 1994, 3).

Public policies also affect markets, particularly through regulation. While market actors are assumed to develop strategies independently, institutionalists have found that they respond to policy signals. Vogel argued that regulations affected which companies enter the market, the services they offer, the investments they make, and the strategies they pursue (Vogel 1996, 261). Hacker argued that health policies structured health care markets, these markets in turn impacted on the development of government health policies (Hacker 1998, 80). Because policies influence the development of markets and corporate actors, Zysman argued that there

is a strong temptation for nation states to establish policies that will advantage their firms (Zysman 1994, 253).

According to HI, public policy is a politically important structure that can have a significant impact on current and future policy paths (Pierson 1994, 46). This identification of the important influence of policy legacies built on earlier work of Theodore Lowi, who argued that policies shaped politics. According to Lowi, public policies developed their own political structure and regulatory policies in particular created a politics that incorporated significant conflict and favoured the interests that were best organised (Lowi 1964, 689-98; 1986, 1987). Heclo had also considered inherited policy to be one of the most important but neglected aspects of the policy environment (Heclo 1974, 17). HI scholars have increasingly noted the importance of policy legacies on policy making (Hall and Taylor 1996, 941; Pierson 1994, 9). Once implemented, policies become vital in any analysis because they are embedded in institutions and associated with rules and commitments, therefore impacting heavily on future policy choices (March and Olsen 1983, 745). Institutionalist analyses therefore must be sensitive to the relationship between political institutions and policy legacies (Hacker 1998, 128). Vogel argued that political and economic institutions shape policy choices which in turn reshape the institutions (Vogel 1996, 9). Heclo argued that in Britain and Sweden it was momentum from past policy that shaped new policy departures in both countries, rather than the ideology of the party in power, electoral turnover, or interest group pressures (Heclo 1974, 312). Skocpol argued that the expansion of Civil War pensions in the United States was because of the powerful feedback effects of previous pensions for veterans (Skocpol 1992, 59). Hall's study of British economic policymaking argued that changes to policy were due primarily to dissatisfaction with past policy rather than as a response to new economic circumstances (Hall 1993, 283). Finally, Hacker argued that feedback from previous policy choices drove the development of United States health policy (Hacker 1998, 107).

History, sequence and timing

HI research recognises the importance of history, and the sequence and timing of events. It uses a long time horizon because of the slow moving nature of events and delays between causal events and outcomes. HI scholars have probed the interaction of social and political processes and their unfolding over time (Skocpol 1992, 60). Pierson argued that the outcome

of interest may emerge at a considerably later point in time from the historical cause because the processes may involve threshold effects or require the unfolding of extended chains of causality (Pierson 2004, 82; Pierson 2003, 181). Scholars must be prepared to trace policy outcomes over a long period and comparative and historical analysis has advantages because it captures long-term processes that may be at play (Pierson 2004, 101).

Historical institutionalists also argued that sequencing plays an important role. This requires sensitivity to the sequence of policy changes and the relationship with other changes in the political environment (Hacker 1998, 127). The sequence in which events occur is causally important and events from the distant past can have effects in the present, making sequence and timing a crucial determinant of the outcome (Levi 1997, 28; Beland and Hacker 2004, 46; Pierson 2004). Hay and Wincott argued that “the order in which things happen affects how they happen” (Hay and Wincott 1996, 955). This means that the significance of earlier events may be amplified, while that of later events may be dampened (Pierson 2004, 64). HI analysis therefore uses a long time horizon and seeks to establish the sequence in which events, processes, and interactions take place. Hacker argued that because health policies structured markets and political dynamics over time, an understanding of the sequence and timing of government interventions was essential to understand the evolution of national health policies (Hacker 1998, 59).

Ideas and Interests

HI identifies how ideas and interests are significantly influenced by institutions. HI scholars have grappled with the challenge of incorporating ideas into their analysis. King concluded that while institutions structure decision making, to understand innovations in policymaking it is important to analyse the role of ideas (King 1992). Others argued that political scientists need to be concerned with both institutions and ideas in the analysis of policy change (Beland 2005, 2; Blyth 1997, 246). Early institutional accounts studied how institutions constrained the impact of ideas on policy making (Campbell 1998, 380). However, recent HI research has addressed how ideas become embedded in institutions and the conditions under which ideas can influence policy. Lieberman’s analysis of civil rights and United States race policy concluded that neither ideas nor institutions could claim priority in explaining change and therefore an approach was necessary that considered the ways in which they interact to produce outcomes (Lieberman 2002, 709). Hall’s analysis of British economic policy

making argued that institutions structured the flow of ideas in a way that had a major impact on policy outcomes (Hall 1992). Weir argued that American institutions provided advantages to some ideas and not others, concluding that ideas that create new forms of government activity face a difficult task (Weir 1992). This points to how understanding the role of ideas requires establishing how ideas and institutions interact. King's analysis of work-welfare programs in the United States and Britain demonstrated how the opportunities for ideas to influence policy outcomes will vary depending on domestic institutions. King argued that New Right ideas were provided with greater opportunity for influence in the United Kingdom and the Conservatives were able to have a significant influence on work-welfare programs through their adoption of New Right ideas combined with the benefits afforded majority governments (King 1992). A concept used to bring the role of ideas into institutionalist research is social learning. The term refers to a deliberate attempt to adjust the goals or instruments of policy in response to past experiences and new information. Policy will respond less to social and economic conditions and more to the consequences of past policy (Hall 1993, 277). Social learning highlights the importance placed on existing policy while allowing scope for ideas to influence policy outcomes.

An increasingly international environment for policy ideas has emerged but HI scholars have noted that this has not reduced the importance of the nation state. Historical institutionalists are sensitive to international policy ideas and analyse their impact (Beland 2005, 9). They note that policy makers have strong incentives to look to comparable systems to increase their knowledge of policies and assess their applicability. When governments look for solutions to new problems then they are more likely to look to other countries (Dolowitz and Marsh 2000). Andersen argued that while international trends are considered by domestic policy makers they are translated into different solutions because of their interaction with domestic political institutions and policy legacies (Andersen 2007). Dolowitz and Marsh assessed how international trends and ideas impacted on domestic policy through the process of policy transfer. They argued that to understand the development of policy from Thatcher to Blair in the United Kingdom there was a need to appreciate the extent of policy transfer from the United States (Dolowitz and Marsh 2000).

Historical institutionalists have focused on the ongoing policy divergence across political systems, despite international policy ideas. The impact of distinct domestic institutions is highlighted by ongoing divergence despite the common prevailing ideas. Vogel argued that

advanced industrial nations did not converge towards the global trend of deregulation but instead the responses were markedly different (Vogel 1996, 12). Assessments of the European Union have also found divergence across member countries (Knill and Lenschow 2005). Pedersen argued that the impulses for convergence have been mediated by stable and robust domestic institutions (Pedersen 2006). Domestic institutions can be powerful in shaping and mediating the influence of ideas and scholars have often found contrasting outcomes from similar international pressures due to domestic institutional differences (Vogel 1996, 60). Domestic institutions are therefore the vital level of analysis for assessing international ideas and continuing policy divergence across similar countries demonstrates a mediated impact.

HI scholars consider interests to be heavily structured by institutions, their formation is therefore endogenous to the political process and something to be analysed and not taken for granted. Interests are neither clear nor stable, instead evolving over time and shaped within institutions (March and Olsen 1989, 146; Hall 1997, 197). Historical institutionalists explore why actors choose a particular definition of their interests over alternatives (Immergut 1998, 7). In a similar vein, sociological institutionalists argued that actors and their interests are institutionally constructed (DiMaggio and Powell 1991, 28). Political institutions and policy legacies can facilitate by recognising particular interest groups or the legitimacy of interest group claims, or providing an opportunity for particular interests to voice their issues (Immergut 1998, 20). Through the provision of opportunities to some interests and denying others, institutions can encourage the growth of certain interests and the decline of others (DiMaggio and Powell 1991, 11). Institutions do not just shape the strategies used by interests to achieve their aims, they also structure the formation and definition of interests (March and Olsen 1989, 157). Interest group formation and influence is not taken for granted, instead seeking to explain the processes by which institutions contribute to the development of interests (Hall 1997, 198). Skocpol argued that the formation and capacities of interest groups depends on the structure and activities of the state that the groups seek to influence (Skocpol 1985, 27).

As well as their formation and organisation, institutions can structure the influence of interest groups. Historical institutionalists argued that institutions facilitate the organisation and empowerment of certain groups while marginalising others (Thelen 1999, 394). This supports the evidence that certain interests that are institutionally advantaged by state

structures and policies have enormous influence. Veto points refer to areas that provide opportunities for interest groups to block reforms unfavourable to them. Many interest groups are concerned with protecting current benefits and will have influence through blocking potential changes rather than driving reform (Kingdon 1984, 71). The barriers in each country on executive governments and their capacity to introduce reforms serve as tools for interest groups that seek to block legislation or stop the process until their demands are met (Immergut 1992). Institutions can provide privileges in one country but impede the same interest group in another. Immergut argued that the institutions in France, Sweden and Switzerland provided interest groups with different routes of political influence (Immergut 1992). Skocpol argued that structures in the United States allowed unusual leverage to interest groups that organised across many districts (such as women's groups and Civil War veterans) (Skocpol 1992, 55).

The HI perspective on the influence of ideas and interests in institutional change was criticised by scholars such as Schmidt (2008), who argued for a new “discursive institutionalism”. Schmidt's discursive institutionalism sought to provide a more dynamic explanation for institutional change through agents' ideas and discourse, rather than path dependent institutional structures and critical junctures (Schmidt 2008). However, HI scholars have criticised Schmidt's heavy ideational emphasis and argued that a more flexible and agent centred version of HI (rather than a “sticky” and overly static account of HI) can effectively explain the influence of agents and ideas on institutional change (Bell 2011).

Concepts from Economics

Historical institutionalists have drawn from economics by using concepts like path dependence and increasing returns to explain policy events. These concepts explain how actors respond to signals from previous policy and make commitments that increase their stake in the existing framework. A scholar credited with introducing economic concepts to institutionalist analysis was the economic historian Douglass North. North gave politics an important role in economic analysis by introducing the concept of actors with distributional agendas (governments) and demonstrated how they influenced the choices that rational individuals make (Levi 1997, 22). North encouraged political scholars to consider path dependence and increasing returns to explain policy development (Pierson 2004, 77). North argued that institutions create powerful inducements which reinforce their own stability, and

that path dependence has led to divergence in the institutions and economic performance of countries (Pierson 2000, 256). North highlighted the weaknesses of economics in trying to explain development because of their downplaying of the important role that institutions play in enforcing contracts that makes them vital in ensuring property rights (DiMaggio and Powell 1991, 5). North argued that institutions can limit the options available to decision makers and therefore produce different results than traditional economic theory that assumes unlimited choices and strategic responses (DiMaggio and Powell 1991, 4).

Pierson extended path dependence to the study of policy development. Pierson argued that path dependence supports claims that: specific patterns of sequence and timing matter, particular courses of action can be virtually impossible to reverse, and consequently political development is punctuated by critical junctures that shape social life (Pierson 2004, 18; Pierson 2000, 251). Pierson's path dependence referred to how preceding steps in a particular direction induce further movements in the same direction with high reversal costs (Pierson 2000, 252). Pierson argued that earlier developments can change the course of policy so that subsequent developments will have very different prospects and results across countries (Hall 2003, 385). Path dependence required the use of a long time period as current outcomes could not be explained by analysing current events (Hall 2003, 385).

Theories of path dependence highlighted the important shaping effects of feedback and cumulative actor commitments. Feedback may occur from seemingly trivial events that can have long-term consequences when self-reinforcing processes occur. Public policies can lock in particular paths by encouraging individuals to act in certain ways and make commitments that can be very difficult to reverse (Hacker 1998, 77). These "cumulative commitments" make change difficult and shape future developments as actors adjust their strategies to accommodate the prevailing patterns (Pierson 2004, 52). Path dependence arguments highlighted that suboptimal policies that induced actor commitments became very difficult to change (Thelen 2003, 319). Path dependence forces the researcher to incorporate substantial stretches of time into the analysis and can effectively counter functionalist explanations of social outcomes (Pierson 2004, 46). Thelen described the "alluring" nature of path dependent explanations because they offer a way to understand difference across nations and continuities within nations over long time periods (Thelen 2000, 103).

Another concept explored by historical institutionalists was increasing returns. Pierson argued that increasing returns captured two key elements leading to path dependence: they identify how the costs of switching from one alternative to another increase markedly over time, and draw attention to formative moments that reinforce the existing path (Pierson 2000, 251). Increasing returns relies on an understanding of historical causes, because an initial event caused particular patterns that are reproduced even though the original event may no longer occur. The sequence in which events occur becomes important because earlier events matter more than later ones (Pierson 2000, 253). Pierson identified two difficulties with the application of increasing returns arguments to politics and institutions: the inherent difficulty of testing hypotheses, and the danger that increasing returns point to an overly static view of the world (Pierson 2000, 265).

Unintended consequences and inefficiency

HI highlights how policy development is often inefficient and may have unintended consequences. HI scholars replace the assumption that history is efficient with considerations of how historical processes are affected by institutions (March and Olsen 1989, 55). HI neither assumes efficiency nor even expects it. This avoids normative arguments about whether public policies are “right” and instead analyses the historical circumstances that caused them. Sociological and historical institutionalists share scepticism about the efficiency of institutions, arguing that environmental change frequently outpaces institutional adaptation (DiMaggio and Powell 1991, 33). Analysis has shown the tendency of institutions to take on lives of their own, sometimes at odds with the purposes for which they were established (DiMaggio and Powell 1991, 356).

Historical institutionalists examine politics as a dynamic process that frequently produces unintended consequences as different processes interact (Thelen 1999, 383). Institutions take on a life of their own and become independent causal forces (Pierson 2004, 131). Institutional designers cannot predict how institutions will interact with actors, interests, ideas and other processes to produce results. As a result institutions will, over time, seldom reflect the strategic intent of their designers. Institutions are therefore constructed by conscious endeavour but not always as their creators intend (Hall 1992). Given the short time horizons of many actors in the political sphere, historical institutionalists assume that the long lasting legacies of their institutional choices could not be predicted or even considered at the time of

institutional creation (Pierson 2000, 479). HI case studies demonstrated the unintended consequences of particular policy decisions over the long run. Skocpol found that the United States created policies to assist mothers that were developed prior to any other social programs. She argued that as other social insurance and assistance policies were developed; protections for women, mothers and children were subordinated. The legacies of maternalist social policies involved unintended consequences for women because of their political marginalisation (Skocpol 1992, 536).

Criticisms of Historical Institutionalism

A key criticism of the HI approach is the perceived focus on stability and failure to engage with the dynamics of change. Hall identified this as a key dilemma (Hall 1997, 183). Path dependent arguments imply an overly static view and HI has sometimes sought to explain the persistence rather than the nature of institutions and policies (Peters 1999, 73; Pierson 2004, 50). The HI approach has focused on qualitative research and critics argue that this results in assessments of change being a matter of judgement rather than measurement (Peters, Pierre and King 2005). Blyth argued that historical institutionalists view institutions as structuring to the extent that only the intervention of exogenous factors are capable of bringing about change (Blyth 1997, 230). However, more recent research is more open to the possibility of endogenous and incremental change (Crouch 2005).

Another criticism of HI is that it does not sufficiently focus on the role of ideas and actors in driving outcomes (Peters, Pierre and King 2005). Ideas have not been treated in a coherent or systematic way in HI analysis (Greener 2005, 64). Ideas are seen as linked to approaches that give priority to agency whereas HI focuses on arguments of structure over agency. The HI approach has a difficult time in dealing with the role of individual actors. Critics have argued that the approach has little to say about the role of individuals and how they relate to institutions, other than being a product of them (Peters 1999, 71). Critics have also argued that institutional analysis is plagued by a structural determinism that reduces the role of actors and agency to no more than minor players (Hay and Wincott 1998, 953). But recent scholarship suggests a more agent-centred HI is possible (Bell 2011).

Critics have also argued that HI is able to explain what has occurred but is limited in predicting the likelihood of the occurrence (Peters, Pierre and King 2005). It is criticised as

merely telling stories to explain events without the theoretical capacity to take the learning and apply it to predict other similar cases. The result is that HI is unable to predict behaviour and predict change (Peters 1999, 68-75). There is also criticism that HI is difficult to falsify and lacks testable propositions (Lindner and Rittberger 2003, 445; Peters 1999, 75; Peters, Pierre and King 2005, Rhodes 1995). Case selection is a common criticism in academic research, as researchers use case studies that provide support for the theory and/or approach taken. HI can be tarred with this brush with scholars using similar material such as economic policy and social policy (Peters, Pierre and King 2005).

2.4 Method, Approach and Scope

Within political science research, there is ongoing debate about the merits of quantitative or qualitative approaches. In the post-war era there was a trend in the social sciences towards statistical and quantitative methods which were regarded as superior because of their links to science. They viewed causal relationships as similar to those in the scientific world, with laws operating across space and time (Hall 2003, 374-6). Hall argued that while statistical techniques may be useful, often the interaction of variables is so complex that it is unable to explain political outcomes (Hall 2003, 386-97). Quantitative data can be used in an HI analysis. However, the limitations of the quantitative approach have led to qualitative research being preferred for complex political and policy studies. The strength of the qualitative approach is the depth of the data and analysis, due to the smaller number of cases (King, Keohane and Verba 1994, 4). This allows assessing of a range of variables and their impact on the final outcome. Policy is so complex with institutional, ideational and actor variables that it requires an approach sensitive to complexities to provide explanations (Ritchie and Spencer 1994, 173; Brower et al 2000, 368). Ragin outlined four reasons why the qualitative/comparative method was superior: it is combinatorial not singular, it can explain all instances of a phenomenon, it reduces the need for a statistically valid sample, and it forces the investigator to become familiar with the cases (Ragin 1987, 15-6). George argued that both approaches develop knowledge and theory, with investigators moving between qualitative analysis of a few cases and quantitative analysis of a large number of cases (George 1979). Others have advocated approaches that combine qualitative and quantitative analysis, such as the “Boolean” or “Bayesian” approaches (Ragin 1987, 101; Lieberman 2005, 435-7).

The case study approach is common in HI research. Gerring argued that any intensive study of a bounded topic qualifies as a case study (Gerring 2004, 345). It is closely linked with the comparative method, which together approximate experimental rigour by identifying comparable instances and then analysing the similarities and differences between them (Ragin 1987, 31). The case study approach has a goal of not establishing frequencies of events (as in statistical approaches) but using empirical data to expand or build on theories (Gerring 2004, 353; Yin 1984, 21). Brower et al argued that it is the primary qualitative research design because of its flexible nature to study a range of variables (Brower et al 2000, 371). While it is criticised as struggling to generate theory, there is capacity through comparison to generalise beyond the observed cases (Rhodes 1995, 56; George 1979, 52). George argued that political scientists who use comparative case studies can develop theory to explain the class of events under observation (George 1979, 59). A key strength of the case study approach is the capacity for depth of analysis which provides a more complete exploration of outcomes and their causes (Gerring 2004, 348). The case study can also have an advantage in research that is more exploratory (rather than confirmatory) in nature, allowing for greater testing of hypotheses and theory building (Gerring 2004, 349-50; George 1979, 51).

The comparative-historical approach takes more than one case study and compares over a long time period. Gerring defined the comparative-historical study as “a series of case studies combined with explicit cross-unit analysis” (Gerring 2004, 343). George argued that the approach required a standardised set of questions to ensure that comparable data was used across cases (George 1979, 61). Barrington Moore’s *Social Origins* was an influential work that considered each case in entirety and sufficient detail to stand alone as well as enlightened through comparison (Katznelson 1997, 88-9). The comparative-historical approach has focused on the comparison of policy trajectories across developed nations, especially on policy divergence (Amenta 2003, 96-103). A common theme is that it asks big questions of wide relevance and considers cases in context (Mahoney and Rueschemeyer 2003, 7; Skocpol 2003, 420). The approach is well suited to capturing long-term processes at the state level (Pierson 2004, 101; Evans et al 1985, 348).

HI draws on a number of these methodological foundations. Although it focuses on context and historical particularity, some works aim at generalising and theory development (Thelen

1999, 372). HI is suspicious of functional explanations of institutions and policy, and of rational explanations of actor behaviour (Pierson and Skocpol 2002, 13). Historical institutionalists give precedence to structure over agency, with institutions playing a structuring role on actor choices (Katznelson 1997, 94; Peters 1999, 66; Blyth 1997, 230). Pierson and Skocpol identified that HI research could be comparative or singular in focus, and draw from either primary sources or secondary publications (Pierson and Skocpol 2002, 2). There are some general principles of HI research: it analyses over the long-term rather than on any event in isolation from its temporal context, it looks at entire institutional configurations and multiple variables rather than any single variable in isolation, and it focuses on the *interaction* between variables and acknowledges that each variable can represent a cause or an outcome (Katznelson 1997, 104; Pierson and Skocpol 2002, 1-12).

Like any term that describes complex phenomena, the definition of what is an institution is contested. While acknowledging that institutions can be either formal or informal, so long as they have the capacity to structure behaviour and be enforced, this analysis will use a definition consistent with that used by Streeck and Thelen (2005) that formal institutions may take the form of legislation, policy and/or organisations and have the capacity to be enforced by a third party (usually the state). These meso-level institutions are essential features for the organisation of state and society, and are often where there are cross-national differences (Hall 1992). The institutions considered important variables in structuring policy are: division of powers, parliamentary structure and practice, state capacity, elections, party politics, constitutional arrangements, and existing policies.

This analysis will be consistent with the HI tradition of qualitative, comparative and historical case studies. This can demonstrate how institutions shape and mediate outcomes by comparing the course of a policy across two countries over a significant period of time. The key elements to be used in this analysis will include:

1. Comparative – This thesis will compare policy across two countries. Using between two and four cases is a common feature of qualitative comparative research (Evans, Rueschemeyer and Skocpol 1985, 349). The comparative method requires that the investigator describe and analyse individual cases and then look across the cases for similarities or differences in key variables that explain similarities or differences in outcomes (George 1979, 47; Hall 2003, 380). The comparative approach has been used to illuminate

variations in policy outcomes across countries and factors that shaped the variation (Levi-Faur 2004, 4). Lieberman argued that comparison is the best way to elaborate concepts and counterfactual claims (Lieberman 2005, 441). A key strength of the comparative approach is to offer observations that highlight causation, in particular structural factors (Hall 2003, 397; Pierson 2004, 141).

2. Historical – This thesis will operate within a historical context and assess issues of timing and sequence to gain a deeper understanding of the cases (Amenta 2003, 94). Research in the historical tradition does not just look at the past; it identifies processes over a significant period of time. There is a strong argument that processes require analysis over a long time scale, Pierson and Skocpol argued for decades and perhaps centuries (Pierson and Skocpol 2002, 5-7). The historical approach is well suited to comparative analysis because policy making is an inherently historical activity and historical institutionalists have demonstrated the significance of early events (Pierson 2004, 64). Processes can be slow moving and the chain between cause and effect may take an extended period of time to play out (Pierson and Skocpol 2002, 9; Pierson 2004, 95). A historical approach is important because of the importance of sequence and timing – the order in which things happen affects the outcome (see Pierson and Skocpol 2002, 8; Hay and Wincott 1998, 955; Immergut 1998, 23; Pierson 2004, 64; Eccleston 2007, 19). The comparative approach also requires a long time period to track the causes of policy outcomes (Pierson 2004, 165; Pierson 2003, 195-200).

3. Institutional – This thesis will identify structural impacts on policy and explore the impact that institutions have on stability and change (Peters 1999, 142). It will look to institutions to explain how actors understand their interests and how their power and capacity for political action is impacted (Immergut 1998, 22). Institutions are central to understanding policy making because of their enduring nature and their capacity to establish regularity (Kay 2006, 12). Institutions establish structures in which actors develop goals and pursue strategies, establish opportunities and constraints, and have long legacies. Institutions play an important role in the organisation of interests because they provide the opportunities to organise and take political action (Immergut 1998, 20-1).

4. Empirical and inductive structured narrative – This thesis will operate within an empirical, inductive and case driven approach that begins with data and works inductively to narrow the focus to the key relationships that determined the outcome (Brower et al 2000, 366).

Concepts emerge from the data and the study will “let the facts speak for themselves” (Bryman and Burgess 1994, 219; Rhodes 1995, 44). This does not preclude theory development, but it is developed inductively rather than forming the starting point (George 1979, 49). An approach that combines the case method with an empirical and inductive focus has been argued to be the best approach to understand problems, establish causation and build theory (Eccleston 2007, 37; Bennett & Elman 2006, 264; George 1979, 51). This thesis will also build a structured narrative by outlining sequences and providing interpretation (Kay 2006, 59). A structured narrative develops over a long period of time and follows the slow process of collecting and analysing data, which shapes the narrative (Cresswell 1998, 20). The narrative renders events into an intelligible whole, makes sense of what can appear chaotic, and can be broken into a sequence of events and processes to provide a broader view of a complex series (Kay 2006, 23). According to Kay, the structured policy narrative specifies the relevant institutions, structures and processes, identifies the possibilities and constraints created for actors, and constructs an explanation of outcomes (Kay 2006, 27).

5. Qualitative, rigorous and systematic – The approach to this thesis will be rigorous, qualitative, and systematic. This means an extensive collection of data from multiple sources against well-defined dependent and independent variables, helping to outline causal processes and build theory (Denzin and Lincoln 2008, 11; Mason 1996, 5; George 1979, 63; Cresswell 1998, 19). The data will support an understanding of detail, complexity and context, which are important for tracing processes (Mason 1996, 4). This means a commitment to extensive data collection, engaging in a complex process of sifting data to identify themes, and writing narratives that substantiate claims (Cresswell 1998, 16).

6. Meso level – This thesis will be consistent with the HI research approach that typically examines the interactions between multiple institutions at the meso level (eg parliamentary structure and practice, division of powers), focusing on policy development within a particular issue area at the nation state level (Pierson and Skocpol 2002, 12). Macro level variables include the broad state of the economy, military conflicts or ideational paradigms. Micro level includes individual actors, specific decisions, or specific interest groups. Institutions and policy are considered meso level variables, sitting between the macro and micro level (Eccleston 2007, 33; Kay 2006, 60). Pierson and Skocpol considered a focus on history and meso level configurations to be a highly complementary strategy (Pierson and Skocpol 2002, 14).

7. *Case selection* – This thesis will use a deliberate selection of cases based on their comparability. It is a challenge in qualitative and comparative research to appropriately select cases and to justify their selection (Cresswell 1998, 64). In HI this involves the selection of countries and historical periods that have many similarities and then closely analysing variations in policy outcomes (dependent variable) and institutional configurations (independent variable) to explain divergent outcomes (Evans, Rueschemeyer and Skocpol 1985, 356). An important consideration is the potential for selection bias. While a random approach to case selection may be appropriate, most scholars choose a deliberate approach (Lieberman 2005, 447). George considered it important for the cases to be compared to be of the same class or universe (George 1979, 55). Although some researchers select “least similar” cases where the independent variables are vastly different, the approach with stronger support is the “most similar” approach where as many independent variables as possible have strong similarities (Mahoney and Goertz 2006, 242; Pennings et al 1999, 43; Lieberman 2005, 439). The most similar approach reduces the number of potential influencing variables and allows a focus on the interaction of a few variables that relate specifically to the research question (Pennings et al 1999, 46; Ragin 1987, 47). Geddes argued for selecting cases without reference to the dependent variable (Geddes 1990, 142).

8. *Flexibility* – This thesis will be flexible, because good research in the social sciences needs to be driven by the question and not the methodology. If the data does not support the chosen approach, then there needs to be flexibility to change tack (Mason 1996; Flyvbjerg 2004, 432). The inquiry is therefore dictated by the findings, possibly necessitating ex post revisions to the approach (Morse 2004, 493; Mahoney and Goertz 2006, 242).

9. *Generalisability* – This refers to the extent to which a wider claim can be made on the basis of the research, rather than the findings being particular to the cases studied (Mason 1996, 24). There are difficulties in constructing generalisations around the development of policy (Kay 2006, 21). Historians are dubious of the capacity to take any explanation out of its historical context, arguing that each case possesses unique features (George 1979, 45). Many scholars argue that case based, qualitative, and historical research has limited generalisability beyond the cases analysed (Ragin 1987, 3; Shively 2006, 345; Mahoney and Goertz 2006, 237). But George (1979, 47) argued that unique cases can contribute to theory development because to make a significant contribution research should generalise to some

extent. Accordingly, this research will seek generalisability but maintain a cautious approach.

Research Scope

In keeping with the approach of historical institutionalists this thesis will use a focused comparison across countries, using the same time period and policy observations (Skocpol 2003, 416). The outcome (dependent variable) will be alcohol control policy (as outlined in the introduction), which includes a range of policy instruments. A key consideration in selecting the cases is the use of appropriate time scales (Mason 1996, 89). With comparative studies, it is important that the temporal scope is consistent. The HI approach tends to use a long time horizon, which is suited to the identification of change and testing the impact and interplay of different variables on the outcome. The time period to be used is 1900-2010. The two countries to be compared, Australia and New Zealand, are both relatively young and the decision to begin at 1900 is because this is when the new nations severed ties (especially Australia in 1901) with their shared colonial power (Great Britain) and formed institutions to manage the work of government and policy development. The nation state is commonly selected for comparative case studies in the HI tradition because of the influence of domestic institutions (Mahoney and Rueschemeyer 2003, 14).

Australia and New Zealand are two countries that are well suited to a “most similar” case study approach due to their many historical and cultural similarities (as well as geographic proximity). Despite this, Kellow argued that political science has experienced less direct comparison of Australia and New Zealand than might be expected, considering that they are very well suited to comparative analysis – sharing history, traditions, political culture, and some institutions. He argued that comparing Australia and New Zealand allows an assessment of the impact of federalism. To assess this impact, the last thing a researcher should do is compare two federations (Kellow 1988, 61-9). Kellow argued that it would be difficult to imagine two better political systems to compare than Australia and New Zealand if the independent variable is federalism (Kellow 1988, 68). Other scholars have also noted that despite the many historical similarities and geographic proximity that it was remarkable how few comparative studies of politics and public policies in Australia and New Zealand have been conducted (Bray and Haworth 1993 in Wailes 1999, 1010; Castles, Curtin and Vowles 2006, 135).

Notwithstanding this, there have been a number of scholarly comparative studies of politics and public policy in Australia and New Zealand in recent years. A number of these have explored the divergent approaches to public policy taken by the two labo(u)r governments from 1984 through to the 1990s. Simms (2006) explored a range of different models for explaining the relationship between Australia, New Zealand and the global environment. She concluded that the path dependent approach works well to explain this relationship (Simms 2006, 679). *The Great Experiment* – edited by Castles, Vowles and Gerritsen (1996) – brought together a number of articles that explored the divergent approaches taken and identified the more radical and rapid reforms pursued in New Zealand compared to Australia. Boston and Uhr focused on the institutional differences between the two countries and the particular impact of the more concentrated power available to New Zealand Governments when compared to the relatively dispersed Australian federation (Boston and Uhr 1996). A 2006 special edition of the *Australian Political Science Review* also brought together literature that compared and contrasted political and policy developments in Australia and New Zealand. Many of these articles also highlighted the more dramatic reforms in New Zealand and cited the institutional differences as an important factor in explaining the divergence (McLeay and Uhr 2006, 264; Hazledine and Quiggin 2006, 152; McClelland and St John 2006, 180). In this 2006 publication Castles, Curtin and Vowles focused on the issues to be considered in a comparative analysis of the two countries, and pointed to differences since the *Great Experiment* was published (in 1996) that required caution to be exercised in identifying policy divergence and using institutional factors as independent variables (Castles, Curtin and Vowles 2006, 138-40).

The caution from Castles et al is consistent with other scholars who have expressed reservations about the use of comparative case study methods for Australian and New Zealand politics and policy. Wailes (1999) argued that the most similar case research design had limitations for comparing industrial relations reforms in Australia and New Zealand during the 1980s and 1990s. Wailes noted that there was a strong basis for treating them as most similar cases and that much of the comparative literature had privileged institutional explanations for the different capacity of each government to introduce reforms. However, he argued that much of this literature had ignored the historical differences between the countries, underestimated the similarities of reforms and not adequately referenced material interests (Wailes 1999, 1006). Barry and Wailes (2005) extended on this argument and

argued that there were many economic differences between Australia and New Zealand and that comparative studies also need to consider the role of interests and ideas (Barry and Wailes 2005, 13). However, a most similar case approach remains relevant for studying comparative policy developments in Australia and New Zealand. Institutions are an important part of explaining divergent policy developments between Australia and New Zealand; although any comparative assessment should also look to the interaction between institutions (including policy legacies) and other potential independent variables including interests and ideas.

The focus of the thesis will be on using different variables to assess their independent and interactive impact. The dependent variable is alcohol policy from 1900-2010 in Australia and New Zealand, and the independent variables to be assessed include: institutions, ideas, actors, socio-economic conditions, and policy legacies. The value of the dependent variable will be established through procedures of historical inquiry that trace policy over a long time period using a range of sources (George 1979, 57). Institutions are vital independent variables in HI research. Institutions do not make decisions – this is done by individuals – but they shape the conditions under which decision making occurs (Pennings et al 1999, 287-9). Institutions do not just shape policies, they also shape the strategies and power of actors and interests (Hall in Pierson and Skocpol 2002, 1; Eccleston 2007, 17). Historical institutionalists also recognise policy legacies as institutions. Pierson argued that public policies are the institutions that impinge on the citizen most directly and intensively, rather than formal political institutions (Pierson 2004, 165). The focus on the structuring nature of policies is not new, Schattschneider argued in the 1930s that “policies create politics” (Thelen 2000, 102). Public policies are therefore both an independent and dependent variable, because existing policy can have a profound impact on future policy decisions. Policies are often extremely durable as actors have significant investments in the existing policy arrangements (Pierson 2004, 35 & 150). The arguments of historical institutionalists such as Pierson were built on the earlier findings of Lowi, who demonstrated that policies influence actors, political structures and political debates (Lowi 1964, 1972, 1986, 1987). There will therefore be a focus on identifying the impact of policy legacies and assessing the findings of Lowi and HI scholars with regard to the importance of policy legacies in shaping and mediating public policy outcomes.

HI has a tension in how it deals with actors and their interests. Actors and agency need to be analysed to understand policy change as explanations need to be consistent with individual behaviour (Eccleston 2007, 24; Pierson and Skocpol 2002, 12). Good HI work does not take the interests of actors as given, instead analysing how groups form, identify their interests and pursue their goals (Thelen 1999, 395). Interests are therefore results to be analysed, rather than the starting point for political action (Immergut 1998, 7). Policy legacies and political institutions are considered to be constraining factors on actors and how they identify and pursue their interests. Pierson argued that when actors invest assets in the prevailing environment, they become substantially more committed to its continuation and this changes the costs and benefits of alternative courses of policy development (Pierson 2004, 147). But actors also have choices and when they achieve a critical mass of resources they can try to influence political institutions and public policies in ways that further strengthen their position (Pierson 2004, 73). Despite this, actors sometimes act contrary to institutionalist expectations. While their choices are constrained, there is still the opportunity for agency (Eccleston 2007, 24-7). This research will focus not just on the impact that actors have on the policy environment, but how they are shaped by existing policy and the rules of the game established by institutions.

While some HI scholars have been sceptical of ideas as central causal factors, they are key independent variables (Lieberman 2002, 697; Blyth 1997, 229). Blyth and King argued that political scientists need to be more concerned with the role of ideas in explaining policy outcomes (Blyth 1997, 233-46; King 1992). The impact of ideas on policy is mediated by domestic institutions that act as “gatekeepers” (Lieberman 2002, 709). Ideas are therefore translated differently in each country because of their interactions with domestic institutions and actors (King 1992). But ideas do play a role in defining the problems and generating policy solutions, they therefore play a role in setting the agenda in which policy is made (Eccleston 2007, 31). Ideas will be an important independent variable for analysis. With regard to alcohol policy they have come in four waves: temperance, alcoholism, public health and harm minimisation. This research will look at whether and how these ideas have influenced policy and the influence that domestic institutions have had on shaping these ideas. The role of broader ideas (such as national efficiency and neo-liberalism) will also be assessed.

HI scholars have argued that it is important to analyse how institutions and other variables relate to each other, and how this shaped the outcome of interest (Pierson and Skocpol 2002, 12). It is unlikely that there will be a single cause of outcomes, variables appear and combine in specific ways depending on the historical context (Pierson and Skocpol 2002, 16). This research seeks to battle through this complexity to analyse and compare. George argued that a research design task is to increase the likelihood of discovering causal patterns between various outcomes of the dependent variables and the multiple configurations of independent variables (George 1979, 54-6). To assess the significance of a relationship between the independent and dependent variables it is necessary to use intensive and historically grounded scrutiny to establish whether a nexus exists (George 1979, 46). This complexity can be managed through careful case selection that holds as many variables constant as possible, so that when changes in the dependent variable appear to be associated with changes in the independent variable then reliable assumptions about causal relationships can be made (Kellow 1988, 62).

Research Method

A tradition in qualitative research is the extensive data that is collected, often from multiple sources (Cresswell 1998, 19). The information is generally text based and can often be unwieldy, requiring significant synthesis (Ritchie and Spencer 1994, 176). Yin argued with regard to case study data collection that findings are more convincing when: multiple sources of evidence are used, projects incorporate a formal data base of evidence, and the study maintains a chain of evidence that allows an observer to follow the path from research question to case study conclusions (Yin 1984, 89-97). This study will largely utilise secondary accounts of the dependent and independent variables. Where pieces of the narrative are missing, then primary material will be used. There are reasons why secondary sources can be advantageous. Lieberman argued that the benefits of research can be captured by using available data sources without extensive primary research (Lieberman 2005, 450). Corti and Thompson argued for the use of secondary material: first, because secondary analysis makes more effective use of material; second, it enables exploration from a new perspective; third, it enables comparative research in a number of contexts; and last, it allows for verification of the original study (Corti and Thompson 2004, 341). However, it will be important when reviewing any potential source document to understand that it was written for a specific purpose other than the case study being conducted (Yin 1984, 81). This is

particularly important in alcohol policy, where documents have often been created by those seeking to push a particular agenda.

The data will be presented chronologically through a narrative. Presenting events chronologically helps to determine cause and effect, because the former always precedes the latter (Yin 1984, 113). An important element of the presentation is the split between description and analysis. Description is important to build the narrative and outline the major variables to be analysed. Merriam argued that the right balance between description and analysis in qualitative research is 60:40 or 70:30 in favour of description (Merriam in Cresswell 1998, 188). This research will broadly apply these ratios. Analysis and comparison is difficult when an inconsistent approach to data collection and presentation has been taken. Accordingly, this research will replicate the approach across both Australia and New Zealand. Yin argued that it was important to approach multiple case studies in a structured way by following replication logic (Yin 1984, 48 & 132).

Data analysis illuminates key learnings from the data. It is a much less discrete process in qualitative research, being continuous and interwoven with other elements of the research (Bryman and Burgess 1994, 217-8). Data analysis is easier when the data is presented chronologically as this allows simpler explication of the case (Yin 1984, 99-119; Cresswell 1998, 153). Effective HI research explains outcomes and their causes, a shortcoming of some accounts is that they provide a description but do not push the analysis to explain relationships and how they affect outcomes (Brower et al 2000, 387). After outlining alcohol policy in Australia and New Zealand in relation to the key variables, this research will conduct a cross-case analysis to highlight relationships and potential causes of outcomes. This research will follow the multiple case approach, including a detailed description of each case and themes within the case, followed by a thematic study across the cases, called a cross case analysis (Cresswell 1998, 63). Bennett and Elman argued that the qualitative approach that combines within case and cross case analysis is useful for assessing complex causation (Bennett and Elman 2006, 251).

HI scholars have developed a number of concepts to explain the processes that drive policy paths. *Path dependence* is perhaps the best articulated within the HI literature. Pierson argued that path dependence invokes historical causation whereby dynamics from an event or process at a point in time will both reproduce and reinforce themselves, even without the

trigger of the original event or process (Pierson 2003, 195). Path dependence recognises the importance of policy decisions accumulating over time and restricting the future options (Kay 2006, 31). Path dependence does not argue that stability is the only possible policy outcome. While stability is linked with path dependence, the notion does allow for policy change but argues for the constraining role of current policies (Kay 2006, 37). North argued that “It is not a story of inevitability in which the past neatly predicts the future” (North in Kay 2006, 29). Each step down the path induces positive feedback that generates path dependence as each successive step will increase the likelihood of it being repeated (Pierson in Bennett and Elman 2006, 256). The concept can explain systematic differences cross nationally, as well as continuities within countries over long periods of time (Thelen 2000, 103). But there is debate about the validity of path dependence as an explanatory tool. A simplistic approach would become deterministic, with the actor trapped and no possibility other than continuity. Nuanced accounts identify the actors as constrained and guided, but not trapped (Kay 2006, 39).

An understanding of cause and effect is provided by *critical junctures or punctuated equilibrium*. A punctuated equilibrium is where the outcome of interest, after changing little for a long period of time, experiences a rapid and lasting shift meaning that actors must adjust (Braumoller 2006, 283). Critical junctures and punctuated equilibrium will be explored where evidence of a significant and rapid change in the value of the dependent variable is discovered. This understanding of policy trajectories leads to a three stage model: firstly, a critical juncture triggers movement along a particular path; secondly, what follows is a period of reproduction governed by positive feedback; thirdly, the path reaches an end when the equilibrium is dislodged by some exogenous event (Pierson in Thelen 2000, 103). This provides a link between critical junctures and path dependence through understanding how institutions and policies are formed and reinforced (Thelen 1999, 400; Eccleston 2007, 22).

An alternative model is *incrementalism*, where change is gradual and slow moving. Many outcomes occur slowly because they are incremental in nature, taking a long time to add up to a significant change (Pierson and Skocpol 2002, 9; Thelen 2000, 104). Pierson argued that researchers should look for incremental or cumulative forces that may not generate changes until they reach a threshold point (Pierson 2003, 182-91; Streeck and Thelen 2005, 9). Therefore, research aiming to identify incremental change needs to use long time horizons (Pierson and Skocpol 2002, 9). Another alternative that seeks to span the divide between

critical junctures and incrementalism is the concept of “punctuated evolution” that Hay (1998) used to explain the changes in Britain under the Thatcher Government.

HI scholars often view causality as highly contextual with complex configurations of factors being significant (Immergut 1998, 19; Pierson and Skocpol 2002, 3). Complexity makes demonstrating causation difficult as it requires sensitivity to many factors and the capacity to link them in a cohesive argument. Often causal factors apply pressure in different directions and it becomes important for the researcher to identify the impact of their interaction (Kay 2006, 63). Interaction effects occur when the impact of one independent variable on the dependent variable varies depending on the value of another independent variable (Bennett and Elman 2006, 254). The intersection of different variables in time and space has been demonstrated to be a driver of public policy outcomes (Pierson and Skocpol 2002, 13; Ragin 1987, 25; Eccleston 2007, 33). Kay argued that it is the interaction between the variables that is important and they should be assessed in a manner consistent with the dynamic and complex way that they relate (Kay 2006, 45). This means a “relational” approach that focuses less on the causal importance of any particular variable but instead how variables are joined together in specific historical contexts (Lieberman 2002, 704). Katznelson argued that constructing cases for comparative analysis through a focus on how variables interact and relate in specific historical circumstances draws from the work of Tocqueville, Weber and Mill (Katznelson 1997, 99).

A final consideration is whether the cases are demonstrating *convergence* or *divergence* on the value of the dependent variable. The outcome depends on whether there is an increase or decrease in the variance (Braumoller 2006, 283). One perspective assumes that domestic policy making will lose its distinctive character because policy makers tend to imitate what they perceive as successful policies in other countries, and there would be a divergence towards a single policy solution (Freeman 1986, 481). However, this is not the empirical reality. This is because domestic institutions and national policy legacies determine how nations will develop public policy (Freeman 1986, 488).

2.5 Conclusion

While a focus on the institutions of the state never completely disappeared from political science, since the 1980s there has been resurgence in academic research that treats institutions as an independent variable. This “new institutionalism” came as a result of frustration with the limitations of the previous orthodoxy and the empirical evidence of distinctive and divergent nation state development paths despite similar international pressures and socio-economic conditions. This led researchers to consider whether domestic institutions had a structuring effect on outcomes and across a number of disciplines three variants of a new institutionalist approach developed including: rational choice, sociological and historical institutionalism (HI).

HI analysis of public policy has numerous features that help to understand its methodological and theoretical foundations. Firstly, it can help explain how institutions influence stability, incremental change and rapid change in public policy over time. Secondly, it views existing public policy as an important institution. Rather than the outcome of battles between interests, ideas, politics and economics, policy legacies are a powerful influence on policy development. Thirdly, it focuses on the important role of history and treats long time horizons and an eye to timing as vitally important. Fourthly, it can demonstrate why ideas and interests are not exogenous forces impacting on the course of public policy but complex variables that are heavily structured by institutions. Fifthly, historical institutionalists have brought concepts from economics such as path dependence to the study of public policy with success. Finally, it demonstrates that public policies are often inefficient and can have unintended consequences. While critics have made arguments about the weaknesses of the HI approach, the existing literature has developed powerful arguments that institutions (including policy legacies) are key drivers of public policy. HI has strong possibilities as an approach to the study of alcohol control policy in Australia and New Zealand. HI researchers have studied social, regulatory and economic policy and provided arguments about the shaping impact of institutions on national policy development. However, there have not been any alcohol control policy case studies by historical institutionalists.

HI research in recent years has highlighted a number of key findings and claims. They have included that:

- The key institutions of interest are: state structure, division of powers, policy legacies and the resulting levels of state capacity;

- Institutions set the rules of the game and influence politics and markets;
- Institutions shape the goals, structures and resources of actors and interests – who often seek to protect the benefits they gain from the system;
- Institutions are a prism for ideas and mediate international trends, but also that new policy paradigms can disrupt an established institutional order;
- Critical junctures provide an explanation for policy change that includes long periods of stability, interrupted by brief periods of significant change;
- An alternative explanation is incrementalism that involves regular but minor refinements that collectively deliver greater change than attempts at major reform;
- Policy stability is common because actors adapt and embed themselves around existing policies – path dependence shows how preceding steps in a direction induce further movements in the same direction;
- Institutional and policy efficiency is not assumed and there may be unintended consequences because policies last well beyond the horizons of their creators; and
- Sequence and timing are important because decisions have impacts in the future.

The two cases of the dependent variable to be described and analysed will be alcohol policies in Australia and New Zealand from 1900 to 2010, and each case will be described and explained through procedures of historical inquiry (Chapter Three will outline the interventions by governments that are considered to form alcohol control policy). A number of independent variables will also be described and analysed, including: political institutions, policy legacies, actors, ideas and socio-economic conditions. The interaction of multiple variables has been shown to impact on public policy, and this requires careful analysis as a simple causal relationship between a single independent variable and the dependent variable is unlikely.

Consistent with other HI studies, this research will seek to answer significant questions about the comparative course of alcohol control policies in Australia and New Zealand. While being conducted in a similar manner to other research, the question in this case will reflect the unique nature of the topic as no other scholar has undertaken an HI comparison of alcohol control policies in Australia and New Zealand with a specific focus on whether policy paths have converged or diverged, and what has shaped these paths. The research question informs the search for data, its presentation and analysis. The research will use secondary sources of

data because the facts are already largely established and the aim is to re-analyse those facts through a new approach to the data. Where there are gaps in the narrative then primary documents will be sourced. Because of the comparative and historical approach to be used, each case narrative will be presented chronologically. Following this, a cross case analysis will test cause and effect relationships between variables.

Identifying stability or change in the dependent variable and then explaining the possible causes will be a primary focus. Tracking all variables over time will build the narrative and provide the best opportunity to identify stability, change, and causal mechanisms. Cause identification is difficult, especially with so many variables. But the aim will be to identify causal relationships between variables and then the specific mechanisms that have driven the policy path in each case. While HI research is commonly linked with policy stability through path dependence, there are also explanations for policy change. These range from rapid and major change through critical junctures to incremental change through institutional conversion and layering, and other explanations such as “punctuated evolution”. There are likely to be many variables that combine and interact in specific historical contexts to generate the outcome. Comparing the cases over time gives the best opportunity to outline important factors that drive the policy path; whether it is political institutions, policy legacies, ideas or actors (or the interaction of multiple variables). Comparing the alcohol control policy paths of both countries over time will allow the identification of whether there has been policy convergence or divergence over time, and isolate the potential causes of this outcome.

This research will make an academic contribution by filling a gap in the existing literature and will have application in both the academic and policy making community. It matters because alcohol is a significant regulated product that is a major preventable cause of death and injury around the world. Developing an understanding of the factors that have shaped the path of alcohol control policies can also assist in the development of broader understandings about how public policies are shaped and whether we can expect to see policy convergence or divergence going forward. Chapter Three will introduce the issue of alcohol and how governments have become involved in alcohol control policies. It will outline how the range of alcohol policy measures can impact on alcohol related harm. Chapter Three will also explore the range of academic literature on alcohol and alcohol control policies, and confirm that the research will add to the stock of knowledge in areas of alcohol regulation, HI, and

policy comparisons across the two countries of Australasia.

Chapter 3 Alcohol policy context

3.1 Introduction

Alcohol is no ordinary commodity. This was the title of the significant review of alcohol and alcohol policy by Babor et al (2003) that was sponsored by the World Health Organisation. Alcohol has a long history as a special commodity that has significantly influenced most societies for hundreds or, in many cases, thousands of years (Room 1997). Beneath this history the role of alcohol in society has been a complex one. It has often been used to transform behavior and to celebrate special occasions, but alcohol also has a darker side (Room and Jernigan 2000). Alcohol has been the cause of much death, injury and suffering because of its addictive nature and the changes that occur to people when they are intoxicated (Giesbrecht 2007, WHO 2004a, Babor et al 2003). While this dark side has been known for a long time, research in recent decades has increasingly pointed to the dangers to individuals and society through excessive consumption (Anderson and Baumberg 2006). However, there are many people around the world who consume alcohol in a safe and responsible manner and indeed the health outcomes of those who do are better than for abstainers (Cook 2007). The special nature of alcohol is therefore complex and very different to other special commodities like tobacco (Rehm et al 2006). The discourse around alcohol was traditionally heavily linked to religion (Room 1997), and indeed still is in some countries, but from the middle of the 20th century became secularised in developed countries. This chapter will briefly explore the role of alcohol throughout world history, from before the birth of Christ to the modern day. This will include the cultural place of alcohol, the levels and patterns of consumption, and the effects of alcohol on individuals and society. This chapter will show that the nature and effects of alcohol have varied significantly between countries and over time. This chapter will also track the changing alcohol discourse in the developed world and the global alcoholic beverages industry.

The effects of alcoholic beverages on individuals and society resulted in alcohol becoming the first commodity to be regulated by governments, starting in Ancient times. In many countries (including Australia and New Zealand), alcohol was regulated before they were independent (Babor et al 2003). Because alcohol has such a long history and alcohol regulation was one of the first government policies, its regulation often goes unnoticed and

the aims forgotten. The reasons that governments regulate the sale and consumption of alcohol have changed over time as the alcohol discourse has shifted (Room 2004; Musto in Plan, Single and Stockwell 1997). Governments have raised revenue through taxing the product or protected health or morality through availability controls. Every modern country regulates alcohol to some extent (Holder and Edwards 1995). This ranges from the most extreme version – prohibition – to lighter touch regulation that still distorts how the market operates. This chapter will outline the context and history of alcohol regulation and the diverse approaches employed throughout the world and over time. This will include a focus on the two oldest policy tools (taxation and availability controls) as well as tools implemented in the modern era such as drink-driving countermeasures and advertising controls. While it will be shown that the impact of these tools varies across countries, research has increasingly demonstrated the effectiveness of each policy tool.

Alcohol control policy making is complex and contains many inherent challenges. Consistent with HI analysis of other areas of public policy, alcohol controls throughout the world are not converging towards a single set of the most effective interventions (Crombie et al 2007). This is partly because of the varying context in each country, including the different political institutions and policy legacies that exist (Bruun et al 1975, WHO 2004b). Alcohol and its effects have been heavily researched in recent years, but there is relatively little research into alcohol policy making and even less that identifies the drivers of policy stability or change over time. The approach and findings of other HI research will be useful but the work of political scientists that have studied the complexities of public policy and the prospects for policy change may also prove valuable, including Kingdon (1984) and especially Lowi (1964, 1972, 1986, 1987). Despite the lack of specific research it is clear that there are significant challenges to governments regulating alcohol, especially if they try to introduce policy change (Chisholm et al 2006, Crombie et al 2007). Alcohol control policies tend to be unpopular because of the limitations that they place on individual freedom and market actors. Similarly, there are complexities due to arrangements that split government responsibility between central and local governments, and the increasingly globalised nature of the alcohol industry and governance (Babor et al 2003, Room et al 2002). This chapter will identify these complexities and outline how countries have addressed these issues, and how political scientists have sought to make sense of alcohol policy controls. This will highlight current knowledge gaps and an assessment of the prospects of the HI approach to shed light on alcohol regulation.

Alcohol has a unique policy community. As a heavily regulated industry, the alcoholic beverages sector has a keen interest in alcohol control policies and has developed a reputation for its lobbying capacity (Edwards and Holder 2000, Giesbrecht 2000, Greenfield et al 2004). This is because the industry has so much at stake and its business model can be promoted or destroyed by domestic alcohol control policies. The battles between the industry and anti-alcohol religious groups in the 19th and 20th centuries throughout much of the developed world are legendary. These religious groups came largely from the Protestant churches, who considered alcohol consumption to be inconsistent with leading a holy life (Room 1997). As the alcohol control discourse changed, so did the membership of the alcohol policy community. New actors including medical practitioners, researchers and public health advocates broadened the scope of those involved in policy debates. Similarly, the policy community expanded through new international trade regimes. This chapter will track the development of the key actors involved in the alcohol policy community. While they vary between countries, there were a consistent group of key actors in most developed nations.

This chapter will also identify gaps in the stock of knowledge. There has been significant research about the impact of alcohol on individual and public health, the effectiveness of various policy settings, and even the conflict around policy choices. However, there has been little or no research on policy development paths and how institutions influence policy change or divergence between countries. This chapter starts with the hypothesis that this is badly needed because alcohol policy has suffered from a lack of political science analysis, and in particular a lack of focus on the role that institutions play in shaping distinctive and diverging national policy development paths.

3.2 Alcohol – history, consumption and effects

Alcohol describes a range of organic compounds. The type found in alcoholic beverages is known as ethanol, which comes from a process of fermentation of fruits, grains or vegetables. Alcoholic beverages are divided into three main categories of beer, wine and spirits (ICAP 2006, 1). The strength of an alcoholic beverage is measured by the proportion of ethanol, commonly known as alcohol by volume and expressed as a percentage. Today almost all countries use a minimum alcohol by volume percentage to determine whether a beverage is

defined as alcoholic but there are varying approaches. The WHO found that this ranged from 0.1% to 12.0%, with seven countries having no definition at all. In some countries beer is not considered an alcoholic beverage and not subjected to special regulation (WHO 2004a, 13).

Alcohol is a toxic substance with direct and indirect effects on a number of human organs and systems (Babor et al 2003, 20). The impact is complex. Alcohol is a depressant, although an initial dose can have stimulant effects and cause feelings of well-being. These feelings occur due to the release of a neurotransmitter in the brain, causing a similar effect to cocaine and amphetamines. After the initial high, alcohol has a similar impact to sedatives (Cook 2007, 84). As more alcohol is consumed, the concentration in the blood increases because absorption into the blood stream usually happens at a much faster rate than the liver can break the alcohol down. The effects that the drinker may experience include: dizziness, clumsiness, nausea, and impaired perception and cognition. At a sufficient level of concentration in the blood, the drinker will lose consciousness. Some of the psychological effects during a drinking session include: a sense of warmth, numbing physical pain, easing anxieties, and blocking out conscience (Cook 2007, 85). Alcoholic beverages also have many positive social associations, as a means of socialisation and an instrument of hospitality (Babor et al 2003, 15).

By the time of the first written records, fermented alcoholic beverages were widely used (Musto in Plant et al 1997, 10). The first concerns about alcohol consumption were recorded in China in around 2200BC. The Bible contains numerous references to drinking and drunkenness and the Old Testament made reference to the disgrace of drunkenness (Schrad 2007, 438). Alcoholic beverages were present in nearly every traditional society, except aboriginal societies in Oceania and North America (Room 1997, 8). The production of alcoholic beverages was heavily linked to agriculture and a variety of crops were used, depending on what was available locally and seasonally (Room et al 2002, 21; Anderson 2006, 489). Production relied on an agricultural surplus above the level required for household and community survival, and most beverages (except wine) did not keep for long. Because of the intoxicating power and irregular production, they were regarded as a special commodity and consumption was often restricted to particular social groups and occasions (Room et al 2002, 21). It took on a “fiesta” pattern with irregular consumption, usually to intoxication, which lasted until the supply was exhausted (Room and Jernigan 2000, 525). The consumption of alcohol tended to be the prerogative of powerful members of society. It

was reserved for older males; women and children were forbidden (Room 1997, 8).

Urbanisation, changing gender roles, breakdown of lines of authority and taboos related to age, and increased emulation of Western drinking have all change how people drink alcohol (Room et al 2002, 32).

Culture and social grouping have an impact on consumption. Established customs that determined where, when and how to drink have tended to break down in favour of individual drinker choice (Room et al 2002, 36). Those on lower incomes are less likely to use alcohol than those on higher incomes. While less likely to drink, they tend to drink in more harmful ways. In England, those in the lowest socio-economic groups have a 15 fold higher risk of alcohol related mortality than professionals (Anderson 2006, 493). Drinking is also linked to economic development, as citizens become wealthier alcohol consumption increases (Anderson 2006, 498; Medina-Mora 2007, 1042). The choice of whether and how to drink is influenced by the social group, even the behaviour of individuals when they are intoxicated is the subject of cultural expectations. In northern Europe, drinking has been an intermittent activity and alcohol is regarded as a powerful substance that transforms behaviour. In southern Europe where daily drinking is common, drinkers are expected to display as few changes as possible in their behaviour (Room 1997, 9). Many of the world's major religions have viewed alcohol as a barrier to the achievement of personal salvation. The rise of Islam from the seventh century provided a rapidly growing religious faith that forbade the use of alcoholic beverages (Musto in Plant et al 1997, 13). Most of the major religions urge abstinence on believers. Christianity is the major exception, although a number of denominations require abstinence (Room 1997, 8).

The average level of consumption in a population is expressed as litres of ethanol per capita per annum (Babor et al 2003, 31). It is measured either by analysing statistics on production and distribution, or through sample surveys of the population. The survey method is considered to be superior because it allows consumption patterns to be measured and related to individual characteristics (WHO 2004a, 22). Production and distribution statistics do not include alcohol that is produced at a household or community level, rather than by the alcoholic beverage industry. On the Indian subcontinent around two thirds of alcohol consumption is from unrecorded sources, and about one half of consumption in Africa (WHO 2004a, 15). Average consumption ranges from 13.9 litres per capita per year in Eastern Europe to 0.6 litres in the Muslim countries of the Eastern Mediterranean (Babor et al 2003,

35-7). Even within regions there is variation, average consumption in Europe varies from 2.9 litres in Uzbekistan to 30 litres in Moldova (Rehm et al 2006, 1088). The statistics are skewed by the level of abstainers within the population and the variance is not as pronounced when assessing average consumption per drinker (Babor et al 2003, 35-7).

There are discernible global trends with regard to levels of alcohol consumption. In the early and mid-nineteenth century, alcohol consumption was high in most countries of Europe and North America. From the late nineteenth century through to the period between the two world wars there was a marked decline (Edwards et al 1994, 33; Room et al 2002, 37). From the end of World War Two to the 1970s there was another sustained increase, with some countries approaching the peaks of the nineteenth century (Edwards et al 1994, 34; Bruun et al 1975, 54). From the last quarter of the twentieth century, many developed countries experienced a decline while countries in the developing world and Eastern Europe experienced rapidly increasing consumption (Babor et al 2003, 38-40; WHO 2004a, 10). There are reasons why alcohol consumption changes over time, most often because existing drinkers either increase or decrease their consumption (Edwards et al 1994, 38). These changes can arise from government policies, market forces or changes in drinking customs (Bruun et al 1975, 54).

Average consumption indicates the overall exposure of the population to alcohol, whereas distribution yields information about the proportion exposed to very high levels. Research has confirmed the need for both total volume and patterns of drinking to better assess the role of alcohol in disease and social harm (Rehm et al 2006, 1087; Room et al 2005, 521). Because individuals and their exposure to disease are complex and multi-faceted, the attributable fraction is used to assess the proportion of a disease in the population that would not have occurred if the effect associated with alcohol was absent (Rehm et al 2006, 506). The attributable fraction associated with liver cirrhosis is very high as alcohol is the most important contributor, while the attributable fraction associated with cancers is small as there are other higher risk factors. The extent to which alcohol contributes to disease and harm is shown by the number of disability adjusted life years (DALYs) or years of life lost due to alcohol (Ritter 2007, 616).

The way alcohol is consumed within a population has a major bearing on the alcohol related problems. In developed countries there is a typical life cycle drinking pattern of heavy

sporadic drinking in young adulthood, giving way to more regular drinking in middle age with less bouts of heavy drinking, followed by much lighter drinking in older age (Edwards et al 1994, 45). A large proportion of alcohol consumed is by a minority of drinkers, in the United States 20% of the population consumes about 85% of the alcohol (Giesbrecht 2008, 604). In the developed world it has been estimated that the top 10% of drinkers consume more than half the alcohol (Cook and Moore 2002, 122). Whereas once a population would favour a particular beverage, the trend since the middle of the twentieth century has been for the dominant beverage to lose popularity. In Europe this has occurred in the traditional wine drinking countries of the Mediterranean, the beer drinking countries of Central Europe and the spirits drinking countries of Northern Europe. Despite this, distinctive patterns such as weekend binge drinking in Scandinavia persist (Babor 2002, 71).

For each individual, there are a number of different drinking patterns from abstinence to very heavy drinking. While the decision to abstain from alcohol may be an economic one, there are many other considerations such as health, pregnancy, religious beliefs, or a dislike for the taste or effects of alcohol (Cook 2007, 66). The WHO found a consistently higher rate of abstinence among females, and the consistent role of religion in shaping drinking habits (WHO 2004a, 24). A favourable drinking pattern is regular consumption of small to moderate amounts of alcohol per occasion, often with meals (Rehm et al 2006, 507). In some cultures this pattern of consumption is common and can be beneficial to health (Chaloupka et al 2006, 23; Fairweather and Mosher 2003, 18).

Intoxication is a temporary state of impairment brought on by the presence of alcohol (Babor et al 2003, 22; Kerr et al 2006, 1429). Intoxication can be influenced by social and cultural forces, but the number of drinks it takes to reach this state is also dependent on genetic factors related to metabolism and level of tolerance built up through past drinking (Kerr et al 2006, 1428). Binge drinking is defined as drinking more than twice the recommended daily limits in one drinking session. Using this definition, Hughes et al calculated that more than 90% of males and females binged typically on a night out (Hughes et al 2007, 62). While a majority of older adults use alcohol responsibly, adolescents are more likely to engage in patterns of binge drinking (Copeland et al 2007, 1740). Alcoholism describes a small proportion of the population with a physical addiction to alcohol, the term changed from the late 1970s to “alcohol dependence syndrome” (Babor et al 2003, 24; Edwards et al 1994, 92). Estimates of the percentage of the population with alcohol dependence vary from around 5%

in North America and Eastern Europe to 0% in the Muslim regions of the Middle East and South Asia (Babor et al 2003, 35).

The WHO recognised that culture has a significant role in shaping drinking patterns and explaining differences between countries (WHO 2006, 6). Different drinking patterns have led to the definition of “wet” and “dry” drinking cultures. Wet drinking cultures have a high level of consumption and high exposure of the population to alcohol. Room et al argued that in a dry drinking culture where exposure to alcohol is small, it will be those with a high disposition who will develop a drinking problem. Conversely, in a wet drinking culture, even those with a moderate disposition may end up with drinking problems (Room et al 2002, 162). Edwards et al also argued that a drinker’s risk of becoming a heavy drinker will depend on the prevailing culture. Alcoholics are therefore not just predetermined to heavy drinking but are affected by environmental factors (Edwards et al 1994, 90). Studies have found that individual drinkers are strongly influenced by their social network. An individual in a dry environment will tend to be a light drinker, whereas the same individual could become a heavy drinker in a wet environment (Edwards et al 1994, 91). A small group of “wet” drinking cultures have a very high prevalence of binge drinking, including the countries of Scandinavia and the former Soviet Union. Studies of Swedish drinking have shown that because of the prevailing drinking patterns, an increase in overall consumption will lead to greater mortality than any other western European country (Norstrom and Ramstedt 2006, 1544). In southern Europe approximately one in ten drinking occasions leads to intoxication, whereas a majority of drinking occasions in northern Europe result in intoxication (Babor in Muller and Klingemann 2004, 33). In developing societies it is quite common for only a minority of adults to be current drinkers and the frequency of drinking is also much less (Room et al 2002, 99-101).

Drinking alcohol has substantial impacts on the individual, their families and others. Over 60 diseases and types of trauma are causally linked with the use of alcohol, including: liver cirrhosis, cancer, neuropsychiatric conditions, cardiovascular conditions, gastrointestinal conditions, maternal conditions, acute toxic effects, accidents, self-inflicted injuries and violent deaths (Giesbrecht 2007, 1345; WHO 2004a, 1; Babor et al 2003, 64). Alcohol can adversely affect nearly every organ in the human body; no other product that is sold for consumption has such impacts (Babor et al 2003, 21). In developed countries, alcohol accounts for 9.2% of all disease, with only tobacco (12.2%) and high blood pressure (10.9%)

causing more harm (Babor et al 2003, 71). Alcohol is responsible for 1.8 million deaths each year and the loss of 58.3 million disability adjusted life years (WHO 2004a, 1). Deaths from alcoholism or liver cirrhosis only reflect a small proportion of the total impact where alcohol is a contributory cause, most of the problem is the result of acute intoxication (Edwards et al 1994, 15; Cook 2007, 118). Prior to middle age, the acute risks of injury and death due to intoxication are the most significant factor (Cook 2007, 119).

There is a dose-response relationship between alcohol consumption and many diseases and causes of mortality. Higher consumption increases the level of risk (Anderson and Baumberg 2006, 18; Babor in Muller and Klingemann 2004, 34; Romelsjo in Holder and Edwards 1995, 135). At consumption of around 20g per day, the risks increase by: twofold for cirrhosis of the liver, 20-30% for cancers of the larynx, 10% for cancer of the oesophagus, 14% for cancer of the liver, 10-20% for breast cancer, and 20% for stroke (Anderson in Holder and Edwards 1995, 109). The volume and frequency of binge drinking impacts on the risk of injury and disease, even for light to moderate drinkers (Anderson and Baumberg 2006, 18; Stranges et al 2006, 1265). High consumption or dangerous drinking patterns do not guarantee any particular outcome at the individual level, but contribute at the population level. Alcohol often combines with other factors including: genetic disposition, smoking, diet, personal neglect or dangerous environments (Bruun et al 1975, 26). There is no way of determining how much alcohol can cause harm at the individual level, and it is also difficult at the population level (Babor et al 2003, 62). The relationship between alcohol and the condition or event make it impossible for the individual drinker to effectively calculate the probabilities associated with each extra drink (Edwards et al 1994, 42).

Cirrhosis of the liver is a progressive replacement of healthy liver tissue with scarring, leading to liver failure and death. Cirrhosis mortality rates have long been used as an indicator of the prevalence of alcoholism in the population (Cook 2007, 109). This is because the causal pathway between alcohol consumption and cirrhosis is strong (Room et al 2002, 122). While the relationship between alcohol and cancer is not as strong as the link between tobacco and cancer, alcohol is causally related to many cancers (Edwards et al 1994, 54). Long-term heavy drinkers have a stronger relationship to these cancers (Room et al 2002, 125). Studies have shown that as drinking increases so does blood pressure, particularly in men (Room et al 2002, 124; Edwards et al 1994, 55). Stroke and coronary heart disease display the complexities of alcohol. Evidence has confirmed that alcohol

consumption at low to moderate levels can offer protection against the most common form of stroke (WHO 2004a, 40). Similarly, regular light to moderate consumption of alcohol will reduce the risk of mortality from coronary heart disease and also reduce the risk of mortality in general (Stranges et al 2006, 1265). However, this effect does not hold for heavier drinking and intoxication (Edwards et al 1994, 55).

Alcohol has a significant impact on the risk of injury or death. The impact includes unintentional injuries or accidents, intentional interpersonal violence, and self-harm or suicide (Room et al 2002, 140). The specific mechanisms that make alcohol responsible for injuries are the impact on reaction time, cognitive processing, coordination and vigilance (WHO 2004a, 46). Alcohol makes the drinker clumsy and the greater the level of consumption, the more clumsy they become. Alcohol is strongly implicated in a range of injuries and deaths (Edwards et al 1994, 57). Although chronic use leads to a higher risk, the acute effects of alcohol among inexperienced drinkers put these individuals at a greater short-term risk. Alcohol is implicated in between 20% and 30% of all injuries and the amount consumed is the critical feature in determining the risk of injury (Borges et al 2006, 993; WHO 2004a, 46). Room et al argued that the impact from alcohol overdose is greater than for illicit drugs in most societies but not as well documented (Room et al 2002, 127). There is also a relationship between alcohol and road traffic accidents, with a threshold effect at a blood alcohol concentration of 0.04% (Babor et al 2003, 70). The relative risk of being involved in a road vehicle accident increases as blood alcohol concentration increases (Cook 2007, 89). Although hard to demonstrate, the WHO argued that there is an association between alcohol and depression (WHO 2004a, 44). Alcohol dependence and heavy consumption also substantially increase the risk of suicide (Babor et al 2003, 71; Romelsjo in Holder and Edwards 1995, 135).

Drinking can also impact on families, workplaces, neighbourhoods and the broader population. The impact of alcohol on social harm demonstrates that all the costs are not internalised, this is an important justification for government intervention and regulation through alcohol control policies. Applying the same level of scientific rigour to alcohol and social harm as for individual health is problematic because of the multitude of factors responsible for social harm. The role of alcohol in disease is far better understood than in causing social harm as the number of factors is varied and complex (Babor et al 2003, 81). There are a range of alcohol related social consequences including: violence and aggression,

crime, public disorder, domestic violence, workplace problems, and financial problems (Babor et al 2003, 76). The costs are often borne by others, and are largely due to intoxication (Cook 2007, 150). A significant social impact from alcohol is aggression and violence, generally as a result of intoxication. There is an increased likelihood of injury or death from violence, whether as a perpetrator or a victim (Klingemann 2001, 7). Research shows that the public drinking establishment (bar, pub, and nightclub) is the most likely environment for alcohol related aggression (Graham et al 2006, 1520; Treno et al 2008, 75). Klingemann argued that the impact on the family was at least as extensive as the harm suffered by the drinker (Klingemann 2001, 4). Heavy drinking impairs performance as a parent, spouse and household contributor and the impact is felt by the drinker's partner and children (Room et al 2002, 144; WHO 2004a, 60). Children are most at risk because they have no capacity to protect themselves from the consequences of parental drinking (Klingemann 2001, 4).

The impact of alcohol consumption varies by gender and age. Because of the higher levels of consumption and more dangerous drinking patterns, the disease burden is higher for men in developed countries by a ratio of about 5 to 1 (Babor et al 2003, 73). Young people are far less likely to suffer chronic disease from long-term heavy drinking. However, higher levels of intoxication, combined with their inexperience and low tolerance combine to substantially increase the risk of casualties (Edwards et al 1994, 57).

The impact of alcohol also includes an economic burden, some of which can be given a monetary value (tangible) and some that cannot (intangible). The tangible costs include health costs, productivity losses, and property damage. The intangible costs include pain, suffering and loss of life. Baumberg suggested that the intangible costs represent between one and seven times the tangible costs (Baumberg 2006, 546). The economic costs are often externalised to other individuals, governments or businesses; providing another strong justification for government intervention (Baumberg 2006, 543). While attempts to put a value on the tangible costs of alcohol need to be treated with caution, it is clear that they are substantial. Anderson and Baumberg estimated the cost of alcohol to European Union (EU) society in 2003 at 125 billion Euros (Anderson and Baumberg 2006, 17). Klingemann estimated the social costs at between 1% and 3% of gross domestic product in Europe (Klingemann 2001, 10).

The impact of alcohol on the human body is complex as it offers protective effects. Low to moderate consumers have better mortality outcomes than abstainers by reducing the risk of coronary heart disease and stroke (Anderson in Holder and Edwards 1995, 108; Cook 2007, 119). These effects make government responses more complex than for tobacco and illicit drugs, where there are no known health benefits (Rehm et al 2006, 503). While the exact threshold is unclear, one to two drinks per day has been demonstrated to offer a health benefit when compared with lifelong abstention (Edwards et al 1994, 51). A meta-analysis of 28 studies concluded that the risk of coronary heart disease followed a j-shaped curve, with the lowest risk associated with one drink per day for women and two per day for men; and a break-even point at about six drinks per day (Cook 2007, 113). The WHO has confirmed the protective effect of alcohol on coronary heart disease and that most of the protection occurs with low levels of consumption (WHO 2004a, 41).

Studies have demonstrated that both the level of consumption and patterns of drinking impact on alcohol related problems (Room et al 2002, 155; WHO 2004a, 36-67). Patterns of drinking have been found by researchers to be the most effective predictor (Room et al 2002, 79; Midanik in Holder and Edwards 1995, 78; Stockwell et al 1997, 3). Volume of drinking is the most important risk factor for long-term physical consequences but the pattern of drinking – especially episodes of heavy drinking – is the most important risk factor for injuries or social harm (WHO 2004a, 3). Episodic heavy drinking is linked with a range of poor health and social outcomes, even for individuals whose regular pattern is low to moderate consumption (Stranges et al 2006, 1274; WHO 2004a, 42). This is known as the “preventive paradox”. Skog observed that light to moderate consumers of alcohol were responsible for a much larger proportion of alcohol related problems (Skog 1999, 751). The preventive paradox does not exist for all conditions, diseases like cirrhosis of the liver are found among heavy drinkers (Edwards et al 1994, 77). The preventive paradox is important for policy development as it provides strong justification for alcohol control policies that go beyond regulation of heavy drinkers (Skog 1999, 751).

The changing alcohol discourse

The alcohol and alcohol control discourse changed markedly over the years, especially in developed countries where moralistic views of alcohol gave way to disease and then public health. Prior to the middle of the 19th century, discourse in Christian countries was largely

formulated by the Church and highly moralistic. Drunkenness was viewed as a sin and individual redemption was sought. From the second half of the 19th century, temperance ideas shifted the focus away from the individual drinker to the drink itself as the source of the problem (Eisenback-Stangl in Muller and Klingemann 2004, 77; Cook 2007, 34).

Temperance was also laced with religious morality and flourished in countries where Protestant Christianity was dominant. The physical health of drinkers was a secondary concern (Room 1997, 8). Temperance advocates sought prohibition of alcohol and their push was successful in a number of countries including: the United States, Canada, Iceland, Norway, Finland, and Russia (Room et al 2005, 519; Room et al 2002, 23). While the pre-temperance discourse saw little role for the state, temperance justified state intervention to maintain public order and attracted a diverse range of followers including: churches, philanthropic organizations, the medical community, media, and business interests (Eisenback-Stangl in Muller and Klingemann 2004, 76-80). In the United States the temperance movement wielded heavy influence with the support of captains of industry like Ford and Rockefeller (McGowan 1997, 47).

From the 1930s, the alcoholism or disease discourse became the dominant paradigm (Cook 2007, 34; Room 2004, 338). Alcoholism rejected temperance views in their entirety (Eisenback-Stangl in Muller and Klingemann 2004, 85). The discourse medicalised and depoliticised alcohol, rejecting the moral duality of the temperance debate (Pennock and Kerr 2005, 392). Alcohol moved from a moral dilemma to a disease, removing the stigma previously attached to alcohol problems (Babor 2002, 69; Pennock and Kerr 2005, 391). The discourse used the concept of addiction and the alcohol issue became radically simplified, dividing drinkers into the “normal” majority and “diseased” minority (Sulkunen in Muller and Klingemann 2004, 17; Pennock and Kerr 2005, 392; Room 1997, 10). Alcoholism generally rejected alcohol controls as they could stigmatise the alcoholic and prevent the rest of the population from developing normal drinking behaviour (Pennock and Kerr 2005, 392). It focused instead on the treatment of alcoholics and public policy was considered best directed at achieving this end (Stockwell et al 1997, 1; Pennock and Kerr 2005, 392). By the 1970s, its limitations were exposed by evidence that many alcohol related problems were experienced by individuals who were not “alcoholics” (Stockwell et al 1997, 1).

The public health discourse dominated alcohol debates from the 1970s. The WHO played a key role in funding and coordinating much of the research and reached a consensus that the

approach to alcohol and alcohol policy should be about a more diverse range of consequences than alcohol dependence alone (Stockwell et al 1997, 1; Crombie et al 2007, 492). The public health approach was closely linked with the 1975 work of Bruun in *Alcohol control policies in public health perspective*. Bruun's thesis was that the average amount of alcohol consumed in a society affects the prevalence of alcohol related problems in that society (Babor 2002, 66; Babor et al 2003, 5). He argued that: changes in the level of consumption have a bearing on public health, alcohol control measures can limit consumption, and therefore alcohol was a public health issue. The policy challenge was to lower the total level of consumption in the population (Bruun et al 1975, 45). Bruun's work was extended by other research sponsored by the WHO (Edwards et al 1994, Babor et al 2003).

By 1980, public health had emerged as the new dominant discourse. It encouraged a range of policy responses, including availability and price (Cook 2007, 45). Whereas alcoholism had directed concerns at the drinker, public health made some return to temperance by seeing alcohol as an agent of illness and mortality (WHO 2004a, 22). Alcohol problems were described not as individual health problems but as concerns of public health (Holder and Edwards 1995, 2). Bruun's main thesis was influential for alcohol control policies, that aggregate consumption should be the focus (Babor 2002, 67; Stockwell et al 1997, 2). The policies advocated included those influencing per capita consumption and targeting specific behaviour such as: tax increases, stricter availability controls, advertising restrictions and stronger drink-driving laws (Babor 2002, 70; Pennock and Kerr 2005, 394). The approach was criticised by the alcoholic beverage industry (Mosher and Jernigan 1989, 245 Pennock and Kerr 2005, 395), and for a limited focus on patterns of drinking (Room 2004, 339; Stockwell et al 1997, 2). Despite the new public health consensus that emerged, there was a great deal of policy variation between jurisdictions which highlighted the importance of domestic institutions.

While public health remained the dominant discourse in the 21st century, a harm minimisation approach gained traction. Harm minimisation was inspired by the illicit drug field and adapted to alcohol (Muller and Klingemann 2004, 2). It challenged the public health discourse with fundamentally different aims (Stockwell in Muller and Klingemann 2004, 51; Room 2004, 339). What set it apart was the focus on reducing the risk and severity of the adverse consequences of drinking without seeking to reduce total consumption. Harm minimisation advocated the reduction of high risk drinking and was neutral on all other

drinking (Plant, Single and Stockwell 1997, 4). Holder argued that the approach may gain greater prominence due to the wider support from industry, researchers, and politicians (Holder in Muller and Klingemann 2004, 92-3).

The alcohol market and industry

Alcohol responds in a similar way to other market commodities, the quantity of alcohol demanded will move according to a change in the price. If the price goes up then consumption goes down, and if price goes down then consumption goes up (WHO 2004b, 41; Babor et al 2003, 107; Bruun et al 1975, 74; Cook and Moore 2002, 123; Osterberg in Holder and Edwards 1995, 158; Edwards et al 1994, 111). But there is a minimum demand regardless of the price, demonstrated by the drinking that continued during Prohibition in the United States (Schrad 2005, 204). These findings hold for heavy drinking, dependence and bingeing (Chaloupka et al 2002, 22; Cook 2007, 81; Kuo in Muller and Klingemann 2004, 120). Heavy drinkers are at least as affected by price as light or moderate drinkers (Room et al 2005, 526; Babor et al 2003, 110). Edwards et al took this notion a step further and argued that heavy drinkers were even more sensitive to price changes than moderate drinkers (Edwards et al 1994, 119).

As drinking cultures around the globe vary significantly, so do the responses to price changes. Bruun identified wide regional and temporal variations in price elasticity and put this down to the differing social, economic and cultural circumstances that prevail at different places and times (Bruun et al 1975, 74-90). Babor et al also found that reactions to price showed substantial differences between countries and in the same country over time (Babor et al 2003, 108). Certain beverage types show less elasticity. For example in wine drinking countries, wine will be the least sensitive beverage to changes in price (Room and Jernigan 2000, 528; Babor et al 2003, 109). Chisholm et al found price elasticity of -0.3 for the dominant beverage type, -1.0 for the next preferred, and -1.5 for the least preferred. This demonstrated the wide gulf between elasticity of preferred and less preferred beverage types (Chisholm et al 2004, 784). Much of the research on price elasticity by beverage type comes from English speaking countries³.

³ This research included the following findings:

The global market for alcohol is evolving. Demand has fallen in the mature markets of Europe and North America in recent years and emerging economies is where the growth in demand is, including the BRIC (Brazil, Russia, India, and China) economies, Latin America and Africa (ICAP 2006, 5-8). A contentious development has been the emergence of ready to drink (RTD) products that are a mix of either spirit or wine and a non-alcoholic drink such as cola, lemonade or milk. RTD's have experienced strong growth among many young drinkers, causing concerns that the product may increase early adoption of drinking due to the removal of the natural barrier of taste (Copeland et al 2007, 1744-5). Brand and product based advertising and promotion is used by the industry to drive demand. Marketing ranges from media advertising (television, print, radio, digital) to sponsorship of events or sporting teams (Casswell 2009, 4). Companies use marketing to gain market share at the expense of their competitors by trying to give their brands a higher level of awareness and appeal (ICAP 2006, 11). Most concerns about alcohol marketing relate to impact on young people as it can create pro-drinking attitudes (Babor et al 2003, 175). Despite concerns⁴, research from developed countries has found that increased advertising does not counter the trend towards reduced consumption (Babor et al 2003, 174).

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- Cook found average price elasticity in the USA of -0.35 for beer, -0.68 for wine and -0.98 for spirits (Cook 2007, 69);
 - Cook and Moore found that beer was the least responsive beverage and that spirits were the most responsive (Cook and Moore 2002, 123);
 - Chaloupka et al found that beer in the USA is relatively insensitive to price, while demand for wine and spirits is very responsive (Chaloupka et al 2002, 23);
 - Babor et al noted that in the UK and USA, beer is less elastic than either wine or spirits (Babor et al 2003, 109);
 - Room et al found elasticity in the UK of -0.48 for on-premise beer, -1.03 for packaged beer, -0.75 for wine, and -1.31 for spirits (Room et al 2005, 526); and
 - Edwards et al noted that in English speaking countries, demand for beer has been less elastic than demand for wines or spirits (Edwards et al 1994, 116).

⁴ The WHO concluded that "alcohol advertising emphasizes the desirable aspects of drinking, ignores the risk of alcohol consumption to the individual and to public health, and can undermine prevention objectives" (WHO 2004b, 58).

The alcoholic beverages industry in developed countries involves producers, manufacturers, wholesalers, and retailers who sell to consumers through bars, restaurants and off premise outlets (Babor et al 2003, 245). In most countries the supply chain is privately owned and has profits as a major driver. In countries with government ownership or control, many links in the supply chain are private (Edwards and Holder 2000, 622). Although the industry is regulated more than most commodity sectors, market conditions and business strategies also influence pricing, product and availability across each beverage type (Cook 2007, 152).

There are four main types of production and distribution: home brewing and craft production, industrial production and distribution of indigenous beverages, local production of international beverages, and branded international beverages marketed globally (Babor et al 2003, 245). The mix varies by country, with developed countries having more of the latter types and developing countries more of the former. Production varies by beverage type. Wine is still largely small scale while spirits and beer tend to be produced in large industrial plants owned by global companies (Babor et al 2003, 18). However, small producers with a domestic market produce a greater proportion of the alcohol consumed (ICAP 2006, 3; Room et al 2002, 58). The industry changed from the traditional production of small batches for immediate consumption to the large scale industrial production and wide distribution of the modern era (Room 1997, 9). Beer is the largest beverage category with global sales of nearly 160 billion litres in 2005, and the top 10 companies accounted for 60% of global volume. Most of the employment in the industry are in wholesale, retail or hospitality (hotels, restaurants and cafes) (Room and Jernigan 2000, 525; ICAP 2006, 9; Room et al 2002, 72). It is estimated that there are around 6 million licensed points of sale for alcoholic beverages worldwide (ICAP 2006, 11). They are split into two broad categories, those where the product is sold for consumption on the premises (pub, restaurant, café), and those where the product is sold for consumption off the premises (bottle shops, off-licences, supermarkets). In volume terms most alcohol is sold through off premise outlets, in 2004 72% of spirits sales and 66% of beer sales were through these outlets. But in value terms, on-premise accounts for around 60% of sales (ICAP 2006, 11). In the developed world, off-premise outlets have been growing at the expense of on-premise outlets (Hughes et al 2007, 61).

Alcohol is largely consumed in the country of production. Only around 8% of production is traded internationally, in all but a few island countries the majority of alcohol consumed has been produced locally (Room et al 2002, 38). The alcohol that is traded is usually higher

quality wine and spirits, beer tends to be produced in the home market under licence (Bruun et al 1975, 60). Informal production and consumption is very common in the developing world, where much of the alcohol is produced in homes and traded locally on an informal basis. Rarely is any form of taxation paid and the production does not appear in official figures (Room and Jernigan 2000, 525). Much of the alcohol in the developing world is not advertised and is sold through word of mouth (ICAP 2006, 10).

The interests of the alcoholic beverage industry are often assumed to be clear, uniform and unambiguous. However, as will be demonstrated in the empirical chapters that follow, while the industry can unite, it has divergent views on most matters and is often conflicted. Regulations structure the industry, its identification of interests and pursuit of interests (McGowan 1997, 35). The industry has a general position to support greater individual responsibility and increased punishment of individuals (Greenfield et al 2004, 648). The industry unites against informal production and distribution (Edwards and Holder 2000, 624) and against proposals to raise tax on all alcoholic beverages or decrease aggregate consumption (Giesbrecht 2000, 584; Greenfield et al 2004, 648). While public health advocates identify the strength and unity of the industry and its capacity to influence government decision making, coalitions within the industry are fragile with a history of deep divisions and suspicions (Mosher and Jernigan 1989, 266). The motivations of each section of the supply chain and each beverage category are different (Edwards and Holder 2000, 624). There are divisions between: producers, distributors, and retailers; beer, wine and spirits producers; small and large businesses; and premium and commodity producers (Mosher and Jernigan 1989, 266-7; Giesbrecht 2000, 583). The issue of availability also pits existing outlets against new entrants to the market. Existing operators support high barriers to entry, whereas those seeking to enter the market want minimal barriers (Giesbrecht 2000, 585).

3.3 Alcohol control policies

In nearly every country, governments have limited private production of alcohol and made it a product that is either supervised by government or produced and distributed by government (Holder and Edwards 1995, 2). Governments have tended to do this through special legislation, the reasons for which may vary from quality control to public health to religious

considerations (WHO 2004b, 15). The WHO defined alcohol control policies as measures by governments to control supply and demand, minimise alcohol related harm and promote public health (WHO 2004a). Alcohol policies aim to strike a balance between public health and individual freedom that achieves the maximum health and social gains while not inconveniencing individuals too much (Bruun et al 1975, 69). Alcohol has also been a significant source of government revenue (Room et al 2002, 69; WHO 2004b, 41). This provided an incentive to regulate not just on the basis of public health or public order but to maximise revenue and expand the capacity of the state (Schrader 2005, 207; 2007, 442). The reason that governments have regulated alcohol is because of the negative impacts on the individual and society (McGowan 1997, 3), but intervention has also increased state capacities and bureaucratic power (Eisenback-Stangl in Muller and Klingemann 2004, 62). Governments have treated the three beverage categories in different ways. In the early United States, beer production and consumption was actively encouraged by government, while spirits were condemned with a correspondingly harsh position taken (McGowan 1997, 37). Spirits being considered socially undesirable had a heavy influence on excise and tariff rates, and meant that spirits were generally taxed at a higher rate per unit of alcohol (Musto in Plant, Single and Stockwell 1997, 16; Room 2004, 335).

Regulation goes back nearly as far as alcoholic beverages themselves. The control of production, distribution, and consumption was exercised by the first governments in Ancient Greece, Mesopotamia, Egypt, and Rome (Babor et al 2003, 4). Possibly the first recorded alcohol policy was in the 1800BC Babylon Code of Hammurabi, which controlled places where alcohol was consumed or sold, with the aim of governing the behavior of tavern keepers and customers (Room 2004, 331). In England, the 1215 Magna Carta codified the standardisation of ale and wine products (Schrader 2007, 437). King Henry VIII introduced the first alcohol licences in 1496, and a licence was required of all sellers from 1552. This system lasted throughout English history and was exported to the new colonies, including Australia and New Zealand (Room 2004, 332). Limitations on the days and places of sale were introduced under the reign of Queen Elizabeth I in the late sixteenth century (Schrader 2007, 437). In the early eighteenth century public concerns about the impacts of gin on the poorer classes led to the Gin Act of 1729 that placed a higher level of taxation on gin (Schrader 2007, 437; Musto in Plant, Single and Stockwell 1997, 16). This legislation was a cause of riots in London and was subsequently repealed (Schrader 2007, 437).

Debate about alcohol controls peaked in developed countries in the late 19th and early 20th century, when religious evangelicals and temperance campaigners sought to bring the alcohol question to front and centre in public debate (Schrader 2007, 432). Greenaway argued that up until the late nineteenth century the debate was a clash of two competing paradigms: the traditionalist which saw no capacity for the state to intervene, and temperance that sought prohibition because they saw alcohol as a demonic force. By the 1890s a new middle-ground restrictionist position had developed that gave the state a duty to impose restrictions to reduce social problems, so long as they were not in advance of public opinion (Greenaway 1998, 907). The restrictionist position was heavily linked with the Gothenburg system, which incorporated local municipal control of the alcohol trade (Schrader 2007, 445). Both ends of the political spectrum had a strong interest in alcohol control policies during the early twentieth century, from the Fabian society and the socialist movement through to the fascist regimes of Mussolini and the Third Reich (Room 2004, 332). After World War Two the debate over policy prescriptions took a different tack as science and health replaced religion and moral judgments (Musto in Plant, Single and Stockwell 1997, 22).

In the modern era there are numerous approaches to the regulation of alcohol. Godfrey and Maynard classified the policy choices into three groups: population based policies such as taxation, advertising and availability controls; problem directed policies such as drink-driving countermeasures; and direct interventions such as treatment (Godfrey and Maynard in Holder and Edwards 1995, 241; WHO 2004b, 2). Throughout the world there are a diversity of alcohol control measures at the population, group and individual level. Even prior to the public health discourse, Bruun noted that most policies tended to focus on the population rather than individuals (Bruun et al 1975, 67). Short of prohibition, there are no examples of governments attempting to control alcohol through policies that only relate to the population (Stockwell et al 1997, 4). There is evidence that a combination of policies can make contributions towards reducing mortality and morbidity (Babor in Holder and Edwards 1995, 185; Loxley et al 2005, 565).

In terms of the level of state intervention, there are three broad approaches: full control (state monopoly), partial control (licensing system), or no control. A state monopoly generally means that government is the only entity able to sell alcohol for consumption off the premises, with a licence required for consumption on the premises. State monopolies have flourished in the Nordic countries and parts of North America and Eastern Europe (WHO

2004b, 16). The most common approach is a licensing system, which is employed in 73% of countries (ICAP 2006, 12; WHO 2004b, 17). Under a licensing system, anyone that wants to sell or produce alcoholic beverages has to apply for and be granted a licence by the government (WHO 2004b, 16).

Alcohol policy is diverse with no two jurisdictions having exactly the same system. The WHO highlighted how different they are across nations, even those with cultural and historical similarities (WHO 2004b, 79-196). Crombie et al analysed policies in 12 developed countries and argued that while some interventions had similarities across countries, other policies such as taxation, the drinking environment and approaches to high risk groups showed significant variation. The main finding was the surprising level of diversity across the countries compared (Crombie et al 2007, 496). This highlighted the impact of domestic institutions. Holder and Edwards argued that countries with a strong tradition of government control of alcohol production and sale also used policy to restrict access. But countries that had made alcohol cheap and widely available tended to focus on treatment and education (Holder and Edwards 1995, 4). The only states where alcohol was virtually unregulated were weak states where government lacked the capacity to adequately control it (Schrad 2005, 206).

There are a number of different policy tools available to governments to control alcohol. Loxley et al argued for the following categories: pricing and taxation; regulating alcohol availability; drink driving countermeasures; regulating marketing and promotion; education and information strategies; and treatment and early intervention (Loxley et al 2005, 560).

Taxation

Taxation is levied by governments through a specific excise on alcohol, usually in addition to other commodity based taxes. It is common for alcoholic beverages to be taxed at a different rate depending on the type of beverage, with spirits generally taxed at a higher rate than beer or wine (Babor et al 2003, 105). The WHO found that: a majority of countries taxed spirits at more than 30% of the retail price; a majority of countries taxed beer at between 10% and 29% of the retail price; and wine was taxed at a lower rate than beer but with a very wide variation across countries. In some European countries wine is not taxed at all (WHO 2004b, 52-3). Governments have the dilemma of not setting the tax rate at such a level to create

incentives for an unregulated market to emerge (Room et al 2002, 203). Government reliance on tax on alcoholic beverages varies markedly. In Europe, the average is 2.4% of tax revenue, but this is as high as 10% in Estonia (Room and Jernigan 2000, 528). In most developed countries the relative importance of alcohol taxation declined during the twentieth century, primarily due to the emergence of other taxes (Babor et al 2003, 102; Room and Jernigan 2000, 528).

It is well accepted in most societies that alcohol should be taxed above the level of other commodities (Cook 2007, 165). Alcohol's contribution to public disorder, addictive qualities, and association with immorality has led to it being singled out for special treatment (Pennock and Kerr 2005, 396). Similarly, taxation is also used to signal the external costs that consumers of alcohol impose (Clarke 2008, 38). Public health advocates argue that the detrimental impact of alcohol is a justification for taxation (Bruun et al 1975, 67; Edwards et al 1994, 109). Although the level of taxation is a factor in the final price, there are countries with comparatively high rates of tax that have comparatively low price levels including: Finland, Iceland, and Ireland (WHO 2004b, 55). However, the research consensus is that raising taxes on alcoholic beverages will lead to a reduction in both overall consumption and a range of undesirable outcomes (Babor et al 2003, 112). As a policy tool, taxation is readily available and effective from a public health and economic viewpoint (Chisholm et al 2004, 790). The WHO concluded that increased taxation should be high on the priority list of possible measures because it is: effective, cost effective, easy to implement, and government revenue positive (WHO 2004b, 57).

The research confirms that an increase in taxation leads to an increase in the price and reduced alcohol consumption. This leads to a reduction in the adverse consequences of heavy drinking (Chaloupka et al 2002, 32; WHO 2004b, 57). In terms of cost effectiveness, taxation has the greatest impact with the fewest government resources to implement (Chisholm et al 2004, 791; 2006, 563). However, taxation can have negative impacts. In developing countries where unrecorded consumption is over 50%, Chisholm et al argued that tax increases may have a regressive impact and lead to an increase in unrecorded consumption (Chisholm et al 2004, 784). The WHO argued for a level which is high enough to reduce consumption and harm while not being so high that it increases illegal production (WHO 2004b, 57).

Availability controls

Availability controls refer to regulations on obtaining alcoholic beverages including when, where and to whom they can be sold and served (WHO 2004b, 15). These controls range from prohibition through to less severe restrictions that increase the opportunity cost of purchasing alcoholic beverages. They include: prohibition, rationing, minimum age restrictions, government monopolies, licensing systems, regulations pertaining to on-premise or off-premise drinking environments, restrictions on areas and times where people consume alcohol, restrictions on the seller and server of alcohol, restrictions on hours and days of sale, restrictions on the location of outlets, and restrictions on the number of outlets. Total prohibition is not politically acceptable in most modern developed countries (Babor et al 2003, 119). Similarly, prohibition policies are difficult to sustain as illicit markets quickly establish themselves (Room et al 2002, 198). The only examples of country wide prohibition in the modern era are in Islamic countries (Babor et al 2003, 118). Most prohibitions are localised in isolated areas where entry to the dry area can be controlled (Babor et al 2003, 118; Room et al 2002, 196). While total prohibition is rare, partial prohibition is very common in relation to children and adolescents. This makes it illegal for young people below a certain age to be sold alcohol. The minimum legal drinking age (MLDA) ranges from 15 to 21 throughout the world, with the age of 17 or 18 the most common (WHO 2004b, 30-1). There is sometimes variability in the MLDA for each beverage type and for on premise and off premise sales (Room et al 2002, 202). An MLDA of 16 or less is a European phenomenon in wine producing countries (WHO 2004b, 35). Another availability control is for the government to exercise monopoly control, something that has been used in states and provinces of North America and the countries of Scandinavia. A government monopoly controls pricing, outlets and marketing, thereby controlling some or all of the alcohol supply chain (Edwards et al 1994, 132; Babor et al 2003, 105). Government monopolies are most often in respect of off-premise sales, with on-premise the subject of a licensing system. These controls reduce the number of outlets, limit hours of sale and remove the private profit motive (Room et al 2002, 193).

A common availability control is a licensing system that requires anyone involved in the supply chain to be licensed by the government. If the licensing system can suspend or revoke licences in the case of infractions, then it can be effective for reducing alcohol related problems. Licensing agencies check the credentials of those seeking licences to sell alcoholic

beverages, as there is a strong concern about keeping criminal elements out of the trade (Babor et al 2003, 128). Outlets where alcohol is consumed on the premise, such as pubs, bars, and restaurants have a long history of regulation due to the capacity for governments to regulate both the purchase and consumption (Babor et al 2003, 120-1). The regulation of off-premise outlets is increasingly an area of interest due to the increasing proportion of alcohol consumed in this way (Babor et al 2003, 124). It is also common to restrict alcohol consumption in certain environments such as workplaces, parks and events. Drinking environment restrictions date back to the temperance movement and provide alternatives to drinking in work and leisure pursuits (Babor et al 2003, 130). Restricting drinking in these environments is designed to send a message that alcohol is a special commodity that does not mix with certain activities (WHO 2004b, 70-1).

Another availability control is to restrict the hours and days of sale, the locations and types of alcohol outlets, or the density of outlets. The most common restrictions relate to the place of sale (around 60% of countries), hours of sale (45%) and days of sale (26%), with outlet density restrictions the least common (around 20%). In jurisdictions that apply it, density is controlled by allowing a certain number of outlets for a certain number of inhabitants within a specified area (WHO 2004b, 24). The WHO concluded that controlling the density and location of outlets has a significant impact on sales by increasing the opportunity cost, but Babor et al argued that controlling density has not been demonstrated to affect rates of alcohol problems (WHO 2004b, 30; Babor et al 2003, 122-4).

Availability controls are part of alcohol policy in nearly every country. Their long history and common use mean that they are not always regarded as tools of prevention (Bruun et al 1975, 66). Availability controls are considered an effective method of reducing alcohol related harm but require popular support and enforcement (Babor et al 2003, 133; WHO 2004b, 30). Edwards et al argued that their effectiveness has been confirmed across many countries and is therefore generalisable and not culturally unique (Edwards et al 1994, 143-5 & 207). Studies have concluded that changes in hours and days of sale can affect drinking patterns and alcohol related problems across time and location (Chisholm et al 2004, 284; Chikritzhs and Stockwell 2006, 1255; Room et al 2002, 205). Increased drinking is associated with increased hours of sale and decreased drinking is associated with decreased hours of sale (Edwards et al 1994, 137). The effectiveness of other interventions, including the MLDA, varies by setting. A higher MLDA has an impact on consumption and traffic

accidents; in the United States it reduced traffic fatalities by about 7% (Cook and Moore 2002, 126; Room et al 2005, 526). Prohibition delivered record low consumption and alcohol related problems in the countries where it was implemented in the twentieth century. Effectiveness in reducing alcohol related problems was especially strong in the early years in each jurisdiction, reducing over time as alternative sources were found (Edwards et al 1994, 131).

Drink-driving countermeasures

Accidents involving drivers that have been drinking are a major problem in nearly every country where alcohol is widely consumed and motor vehicles are commonly used (Babor et al 2003, 157). A key drink-driving countermeasure has been legislation to set the blood alcohol concentration (BAC) level above which people cannot drive a vehicle. This aims to reduce the number of accidents, injuries and fatalities that occur as a result of driving when intoxicated (WHO 2004b, 35). The BAC limit varies between countries (generally between 0.02% and 0.08%) and is usually based on what is politically and socially acceptable (Stewart and Sweedler in Plant, Single and Stockwell 1997, 128). Random breath testing (RBT) of motorists accompanies BAC legislation in many countries and involves sampling motorists, generally at times of higher risk such as nights and weekends (Babor et al 2003, 158). More than one third of countries do not have a regime of RBT to support their BAC legislation (WHO 2004b, 39). The random nature of the testing, combined with high visibility, makes drivers uncertain about when or where they may be tested (Babor et al 2003, 160-1; WHO 2004b, 36). Drink-driving countermeasures also require swift, severe and certain punishments for transgressors. The punishment that has been found to be most effective is licence suspension (Babor et al 2003, 163; Edwards et al 1994, 157).

Drink-driving countermeasures have led to a reduction in drink driving and alcohol related crashes, and are considered one of the public health success stories of the late 20th century (Babor et al 2003, 159; Room et al 2005, 526). Babor et al and the WHO argued that the elements of an effective drink-driving strategy include: a low BAC, frequent and visible enforcement, suspension of driving privileges, and certainty of punishment (Babor et al 2003, 163; WHO 2004b, 40; Loxley et al 2005, 562). Drink-driving laws have been estimated to reduce fatal crashes by 7% and enforcement through RBT can reduce them by a further 6-10% (Chisholm et al 2004, 784; Babor in Muller and Klingemann 2004, 38).

Advertising controls

Advertising of alcoholic beverages is designed to attract and influence customers. The research in this area is contested and the impact of advertising has not been clearly proven as it has with drink-driving. Edwards et al argued that advertising has a small but contributory impact on drinking behaviour (Edwards et al 1994, 172; Babor et al 2003, 183). In many countries alcohol advertising has some level of regulation, ranging from complete and partial bans to voluntary agreements. The WHO found that advertising on television and radio was more restricted than print, and spirits are more restricted than beer (WHO 2004b, 58).

Advertising restrictions in France and Norway were the most comprehensive, where both alcohol advertising and sports sponsorship were banned (Babor et al 2003, 181). Advertising restrictions have not achieved a major reduction in drinking or harm, although countries with greater advertising restrictions also have lower consumption and alcohol related problems (Babor in Muller and Klingemann 2004, 38). However, the WHO argued that advertising restrictions should form part of a comprehensive alcohol policy, especially when targeted at young people (WHO 2004b, 63).

Education and information

Most countries use education and information strategies. This is partly because they are not widely contested (Plant and Plant in Plant, Single and Stockwell 1997, 194). Education about the dangers of alcohol makes intuitive sense on public health and consumer grounds as it can send clear messages about the consequences of drinking (Casswell in Holder and Edwards 1995, 205). There is now a large industry devoted to producing school programmes, posters, pamphlets, and guidelines aimed at changing drinking behavior (Giesbrecht 2007, 1346). Some of these are high quality and backed by research but much show little professionalism (Plant and Plant in Plant, Single and Stockwell 1997, 195). Counter advertising gives messages about the dangers of alcohol consumption with public service announcements being a common initiative (Babor et al 2003, 190). Governments also use unit labeling that informs the drinker of the number of standard drinks they are consuming. Unit labeling can be justified on consumer grounds as a way of providing information to drinkers (Stockwell and Single in Plant, Single and Stockwell 1997, 100).

The research consistently says that education and information strategies have no impact on consumption or alcohol related problems, or at best a low short-term impact (Anderson and Baumberg 2006, 19; Babor et al 2003, 200; Babor in Muller and Klingemann 2004, 40; Plant and Plant 1997, 196-205; Crombie et al 2007, 497). These strategies are therefore not considered to be a cost effective intervention (Babor et al 2003, 270; Room et al 2005, 525). Chisholm et al considered school based education and mass media campaigns to have such low effectiveness that modeling their cost effectiveness was not worthwhile (Chisholm et al 2004, 786). Giesbrecht went further, arguing that continuing to fund these ineffective interventions was a waste of resources (Giesbrecht 2007, 1347). Recent research has evaluated the potential for specific types of education campaigns (social norms marketing campaigns) in specific contexts (college campuses in the United States). Although initial research indicated that these campaigns may have some effect on consumption (De Jong et al 2006), further trials failed to replicate these findings and highlighted, at best, limited impact on drinking behaviour in colleges with low alcohol outlet density (De Jong et al 2009, Scribner et al 2011). Warning labels have also been found to have no impact on the drinker's perception of risk and little or no behavioural change (WHO 2004b, 62; Edwards et al 1994, 178). Despite their lack of effectiveness, these interventions remain popular in the developed world (Babor et al 2003, 200). Giesbrecht argued that this was because they do not reduce government revenues and do not reduce industry profits (Giesbrecht 2007, 1346). Given this, these policy tools will not be assessed for the cases of Australia and New Zealand.

Treatment

Most countries have a structured treatment system that integrates brief interventions and specialised treatment into the public health system (Babor in Holder and Edwards 1995, 181-4). Spirits drinking countries (such as Russia) tend to have more comprehensive approaches (Babor 2002, 69). Treatment includes a range of services such as brief intervention, specialised treatment and mutual help (Babor et al 2003, 209; Room et al 2005, 523). Brief interventions assist drinkers before or shortly after the onset of alcohol related problems and are designed to induce high-risk drinkers to moderate their consumption. Specialised treatment involves interventions that manage the withdrawal from addiction and the rehabilitation of the drinker. Mutual help is generally based on the twelve steps of Alcoholics Anonymous (AA) (Room et al 2005, 525). AA is more than just a treatment and has been

described as akin to a religious movement, owing much of its foundations to the Protestant philosophy of sin and salvation (Antze 1987, 172-4).

Evidence confirms the potential for treatment to reduce alcohol related problems (Edwards et al 1994, 190-6). Babor et al found that exposure to treatment is associated with reduced consumption and alcohol related problems, regardless of the type of intervention (Babor et al 2003, 213). Counseling and physician advice have been estimated to reduce disability by between 4.9% and 6.4% (Chisholm et al 2004, 785; Babor et al 2003, 212; Poikolainen et al 2007, 577). Because of the low cost and simplicity, brief interventions have been identified as one of the most cost effective forms of treatment (Loxley et al 2005, 565). More intensive specialised treatment for dependence and heavy drinking is generally implemented in a residential setting and has effectiveness, but at a high cost (Edwards et al 1994, 194; Babor in Holder and Edwards 1995, 181). Specialised treatment may not be affordable in developing countries or nations that lack a strong primary health system (Babor in Muller and Klingemann 2004, 41). Mutual help can be an effective resource for problem drinkers, but the research suggests only an incremental effect (Babor et al 2003, 215; Room et al 2005, 525).

General lessons

Because of the range of economic, social, political and cultural environments, the same policies can yield very different results (Osterberg in Holder and Edwards 1995, 159). Alcohol policies therefore need to be tailored to the circumstances of the specific country (Babor 2002, 68). Chisholm et al found that where the culture has a high prevalence of hazardous drinking, taxation and brief interventions are the most effective policies. But in regions with low rates of heavy drinking, taxation is less effective (Chisholm et al 2006, 560). Despite the variance in effectiveness, research points to the need for a range of policies (Poikolainen et al 2007, 577). Evidence shows that population based policies are more effective and cost effective than those targeted at high-risk groups or harmful drinkers (Babor et al 2003, 272; Godfrey and Maynard in Holder and Edwards 1995, 256). Babor et al rated each policy measure in terms of effectiveness, research support, cross-cultural testing and cost to implement and concluded that there were 10 best practice policies: minimum legal purchase age, government monopoly on retail sales, restrictions on hours or days of sale, outlet density restrictions, alcohol taxes, sobriety check points, low BAC, licence

suspensions, graduated licensing for novice drivers, and brief interventions for hazardous drinkers (Babor et al 2003, 264-70). The WHO argued for: low definition of an alcoholic beverage, control over retail sales through a monopoly, sales restrictions by time and place, enforced and appropriate age limit, low BAC, promoting low or no alcohol beverage alternatives, high taxation, controlling advertising and sponsorship, and restricting drinking in public places (WHO 2004b, 75). Babor et al and the WHO found the consistent effectiveness of taxation, availability and drink-driving countermeasures. Policies with the strongest research support such as taxation and availability controls remain unpopular in many countries, especially English speaking countries (Stockwell et al 1997, 5). Education and treatment are often the most popular strategies, yet have lower effectiveness (Jernigan et al 2000, 495).

3.4 The alcohol control policy process

There has been substantial analysis of public policy by political scientists, with some developing general models of the process and others highlighting the complexities and difficulties. In an ideal world the policy process forms a cycle of problem identification, policy development, policy implementation, and evaluation (see Bridgman and Davis 2000). This is assumed to be conducted in a rational and sequential manner. However, policy making is rarely straightforward and certainly not in relation to alcohol (Babor et al 2003, 229). The previous chapter demonstrated that the historical institutionalist approach has been increasingly used to comparatively assess areas of public policy. Scholars such as King (1992), Hacker (1998), and Dunlavy (1992) have comparatively assessed the different policy approaches taken by countries that were otherwise similar. Historical institutionalist scholars have also identified how domestic institutions, including political institutions and policy legacies, mediate the influence of actors and ideas on the evolution of different areas of public policy.

Outside of developments in public policy analysis developed by historical institutionalists, the work of political science scholars such as Kingdon (1984), Schrad (2005) and Lowi (1964, 1969, 1972, 1986, 1987) are of relevance when considering the alcohol control policy process. Kingdon's influential work on the development of public policy included the thesis that significant change was rare and tended to occur when the three process streams

(problems, policies and politics) converged, opening a policy window (Kingdon 1984). A study by Greenfield et al confirmed that Kingdon's thesis could explain United States alcohol control policy development (Greenfield et al 2004, 630). A model to understand the modern alcohol policy process was developed by Schrad (2005). Schrad's triadic model assumed three important players – public health, government revenue, industry – with benefits to public health through tighter alcohol controls coming at the expense of state revenue or industry profits, therefore representing a zero sum game. Schrad argued that a responsible government would choose a benefit distribution weighted in favour of public health, with reduced consideration for private profit and state revenue (Schrad 2005, 197-219).

The work of Theodore Lowi is particularly relevant for the study of alcohol control policy. Lowi argued that public policies develop their own political structure and therefore influence politics (Lowi 1964, 689; 1987). He identified two approaches to understanding social regulation, mainstream and radical. In the mainstream approach actors avoid taking any moral stand on the regulated conduct, only concerning themselves with consequences. The radical approach defined the conduct morally and to be regulated because it was bad in itself, seeking to eradicate rather than modify it (Lowi 1987). Lowi found that regulatory policies in particular produced politics based on conflict that tended to favour the interests that were best organised (Lowi 1972, 304-5; 1986). Lowi argued that in the 19th century the language of public policy was heavily laden with morality. While the problems were complex, the solutions were simple. If problems today seem more complex, Lowi argued it is more to do with the way that they are defined (Lowi 1986, 132). From around 1935 he identified a decline in personal responsibility and dependency no longer required a calculation of whether the person was “deserving” and became the responsibility of government (Lowi 1986, 126-7). This transformation from private to public responsibility moved the ethical debate from blame to no fault. The modern liberal government was obliged to respond to any negative consequence and became a giant magnet, with no limit to responsibility (Lowi 1986, 137). Kingdon and Lowi highlighted that policy making is likely to be far from simple and change could be rare and hard fought.

Studies conducted into alcohol policy have confirmed that stability and stagnation are more common than change. Greenfield et al's interviews with policy actors in the United States found that there were considerable difficulties in achieving legislative change. Greenfield et al argued that there was often a policy stalemate due to the divergent views of the industry

and public health activists, and that change had tended to be limited and only observable over the long-term. Change advocates need a long time horizon and to keep “plugging away” to get change (Greenfield et al 2004, 643). Pennock and Kerr also found that United States policy changes occurred slowly and were more modest than advocates had sought (Pennock and Kerr 2005, 393). Greenaway argued that policy change was driven by experts and bureaucrats, especially in the modern era with extensive state capacities (Greenaway 1998, 916).

Many alcohol controls are unpopular. Policies that impact on “normal” drinkers tend to not be very attractive to governments (Plant, Single and Stockwell 1997, 263). They are reluctant to risk political pain through aggressive alcohol control measures and will therefore often choose less effective interventions such as education (Chisholm et al 2006, 563; Crombie et al 2007, 497). There is inherent tension between regulations and individual freedom. Indeed, much alcohol policy has been informed by the key tenets of classic liberalism that preserving autonomy was important in public policy because it allowed individuals to pursue their own ends. This tradition influenced alcohol policy through what Cook referred to as the harm principle, leaving the individual free to make their own choices as long as others are not harmed (Cook 2007, 140). This provides dilemmas for governments. If liberty is paramount, then government should get out of the way and let individuals make drinking decisions. But if public health is the main concern, different principles are required. Using government authority to restrict choice in the name of public safety is contentious because it taps into disagreements about what is in the public interest (Cook 2007, 133-47). All developed countries are also committed to reducing market barriers, but international trade agreements treat alcohol like any other commodity (Edwards and Holder 2000, 621; Babor 2002, 72).

Each country has a unique culture and history that have informed their experience with alcohol, determined the type and severity of alcohol related problems, and therefore driven alcohol policies (Babor and Winstanley 2008, 725). Schrad argued that alcohol policies that existed prior to modern science are remarkably similar to those in the modern era. Many modern policies exhibit similarities to policies implemented two hundred and in some cases two thousand years ago (Schrad 2007, 438). Historical factors offer powerful explanation for policy trajectories and divergence between countries. Taxing spirits at a higher rate can only be explained by historical convention, principles of fairness and efficiency support uniform

tax (Cook 2007, 177). Bruun et al identified the importance of historical experience and political composition for determining the most appropriate alcohol control policies in a country (Bruun et al 1975, 83). The WHO also acknowledged that there is no policy mix that can be simply taken from one country and transplanted to another (WHO 2004b, 76).

In certain countries at certain times alcohol control has been a major political issue. Yet at other times, alcohol has been remarkable for the absence of debate (Edwards et al 1994, 1). Because of the unique dynamics in alcohol control policies across time and place, Schrad argued that there is tremendous potential for studying them in a comparative perspective (Schrad 2005, 218). There have been numerous attempts at establishing quantitative indices of comparative alcohol control systems. Anderson and Baumberg used a numerical scale to compare the strictness of alcohol policies across Europe (Anderson and Baumberg 2006, 19). The Alcohol Policy Index also rates countries on their comparative policies. Quantitative comparison of alcohol controls led Ritter to question whether this represents “science or silliness” (Ritter 2007, 617). Researchers have made varied claims about whether alcohol control is displaying convergence or divergence. Babor et al argued that during the late 20th century there was convergence of policies in the European Union (Babor et al 2003, 226). Yet there remained huge variations in alcohol taxation despite attempts to harmonise them (Babor et al 2003, 235). Crombie et al reviewed 12 developed countries, arguing that policies displayed heterogeneity despite some similarities in approach (Crombie et al 2007, 498).

Alcohol policy responsibility is often shared between national and local governments. Room argued that national governments are best placed to coordinate alcohol taxes and to coordinate research (Room et al 2002, 224). Local level policy can have advantages, because people are more personally involved with alcohol related problems and therefore have a motivation to put in place the right policies (Holder 2001, 6). In the United Kingdom responsibility for liquor licensing is at the local level with limited national oversight (Babor et al 2003, 255). Babor et al considered that approaches using law enforcement and availability controls were not well suited to the local level (Babor et al 2003, 254). State alcohol regulation occurs in federations, and policy responsibility is shared between national and state governments or delegated to the state level (Babor et al 2003, 252). In the United States and Canada, most decisions are made at the sub national level, and there are as many alcohol policies as there are states or provinces (WHO 2004b, 11). This is also the case in Australia.

It has been argued that globalisation of the alcohol trade requires a global approach to regulation (Room et al 2002, 227). The organisation identified to take this forward was the WHO, a division of the United Nations, with its strong history of activity with regard to alcohol (Babor et al 2003, 241; Room 2006, 589). WHO resolutions have urged member states to give attention to the prevention of alcohol related harm and promote strategies to reduce the consequences of the harmful use of alcohol (WHO 2006, 8). However, Room argued that the high prevalence of social harm and law and order issues from alcohol means that much of the impact lies beyond the remit of the WHO (Room 2006, 589). This provides an argument for extending beyond the WHO to include the World Bank, World Trade Organisation, International Monetary Fund and regional organizations like ASEAN (WHO 2006, 11; Babor et al 2003, 241). There have been calls for global leadership since Bruun and his colleagues raised the possibility in the 1970s (Bruun et al 1975, 88; Jernigan et al 2000, 492-6). But international treaty making is an extremely slow process and an agreement on alcohol may be harder to achieve than for tobacco. The message on tobacco is clear and unambiguous (any smoking is a threat to health), whereas the alcohol message is more complicated (Room 2006, 588).

3.5 Conclusion

This chapter has demonstrated that a huge proportion of the global adult population consumes alcoholic beverages. Alcohol is a contributing factor in a large number of diseases, injuries and accidents that make it one of the leading risk factors for death and injury. Dangerous consumption also has impacts on the drinker's family and wider society. It isn't just alcoholics or long-term heavy drinkers that suffer the negative consequences of alcohol. Skog (1999) identified a "preventive paradox", because a majority of problems are experienced by lighter drinkers because of their greater number and the impact of irregular intoxication. A complicating factor is the demonstrated positive impact on coronary heart disease from light to moderate alcohol consumption. The prevalence of heart disease in developed societies means that drinkers experience better health outcomes than abstainers.

The discourse about alcohol and the role for governments has changed. In the late 19th century, the temperance discourse viewed alcohol as an evil product that must be eliminated,

with a high priority for government action (especially prohibition). As scientific research advanced, the idea that alcohol was an addictive product became dominant with drinkers divided into the “diseased” minority and healthy majority. As opposed to temperance, the disease discourse implored governments to leave the majority alone and focus on alcoholics. Since the 1970s the public health discourse has returned the focus to the population impacts of alcohol and increased government intervention.

Alcohol control policies have a very long history and vary enormously from one country to the next, even those with cultural and historic similarities. The range of policy tools is diverse and may target the entire population, particular groups in society, or individuals. These policy tools can be classified into broad categories of: taxation, availability controls, drink-driving countermeasures, advertising controls, education, and treatment. Regulatory systems in each country, while unique, implement a range of measures under these policy headings. Across the extensive history of alcohol policies in the developed world, the most effective policy tools have been demonstrated to be taxation, availability controls and drink-driving countermeasures. The least effective policy tools are education and information. The cases to be analysed in the following chapters (Australian and New Zealand alcohol control) will therefore not focus on information and education, but instead target the areas of both proven effectiveness and greater potential conflict.

Despite a significant amount of research into alcohol policy tools and their effectiveness, there has been little analysis of the process of alcohol policy making. The HI approach outlined in Chapter Two – with its focus on undertaking detail comparative and historical studies – has strong potential for explaining the ongoing divergence of alcohol control policies in two similar countries such as Australia and New Zealand. Although the findings of other scholars such as Kingdon have been applied to alcohol policy, the most applicable scholarship was that of Theodore Lowi. While not specific to alcohol policy, Lowi’s work demonstrated how policies would develop their own political structure, how social regulatory policies tended to be based on conflict, and how the modern government has become a magnet for problems.

Alcohol policy making is difficult. Many measures are unpopular and alcohol control policies that benefit public health can be inconsistent with fundamental tenets of modern, liberal governments such as individual freedom and free trade. The capacity to introduce

new policy measures is also constrained by the history and culture of the society. Each country has a unique set of political institutions that impact on the capacity for certain policy measures to be implemented. Alcohol policy making is further complicated because responsibility is often shared between different levels of authority (international, national, state/provincial, local), making integration and coordination difficult.

There has been little comparative research into alcohol systems, except at the meta-analysis or quantitative level. Quantitative analyses tend to be reductionist and do little to explain the complexities or context of alcohol control systems. No analysis has specifically set out to observe whether there are certain institutional arrangements or historical circumstances that might explain ongoing divergence or that inhibit or promote policy change. The conflict between the alcoholic beverage industry and the public health movement is real, but to argue that this conflict has been the major driver of alcohol policy is unproven and unlikely. The public health movement has taken aim at the alcohol industry, arguing that their intransigence, greed and underhand tactics are the reason why alcohol control policies are weak and ineffective. In turn, the industry has argued that the public health movement seeks a return to prohibition and that their scientific veneer covers the same moral zeal as the temperance movement of one hundred years ago. Unfortunately, there has been little analysis of whether there are other factors at play.

The scholarly engagement with alcohol control has largely had a scientific focus. However, studies of alcohol control policy have tended to be written from a perspective that the policy tools with proven effectiveness across jurisdictions should be broadly adopted (with some consideration of cultural and historical circumstances). This has led to a somewhat naïve assumption that each country will be able to implement the most effective policies for their circumstances, and if they have not then it must be due to the influence of vested interests – especially the alcoholic beverages industry. What this assumption fails to do is understand the institutional, cultural, historical and political constraints that government's face. The difficulties for governments in regulating alcohol are multi-faceted. They must achieve a balance between public health, individual freedom, free trade, government revenue, social order, and morality. There has also been little research into the drivers of stability and change in alcohol control policy, although the research available has generally identified the lack of change. Similarly, there has been little analysis of why alcohol control policy divergence remains across countries, especially when they are otherwise similar.

There are therefore great prospects for a comparative and historical study using the HI approach. Comparing across a long time period and using two similar cases will allow the best chance of identifying the relevant impacts on alcohol policy making. This chapter has also identified an important question – if the effects of alcohol on individuals and society are known, and if the effectiveness of available policy tools is also known, why do the approaches to regulation vary so much? Perhaps the institutions that prevail in each country can explain this variation and the HI approach will provide useful insight to explain divergence between alcohol control policies in Australia and New Zealand.

Chapter 4 Alcohol policy in Australia

4.1 Introduction

Alcohol is no ordinary commodity and has not been ordinary in Australian society. Australia had a particular experience with alcohol from European settlement. New Zealand has also had a particular experience and their government took different decisions about alcohol controls, despite so many similarities between the two countries. The previous chapter summarised the global experience with alcohol and how governments have controlled its production, sale and consumption through various policy tools. Chapter Two outlined how the HI approach provides a relevant framework for conducting comparative assessment across countries and the explanation of policy convergence or divergence. This chapter is the first of four to track Australian and New Zealand alcohol controls during the period 1900 to 2010. This chapter will briefly assess some of the existing research on Australian alcohol controls and provide a summary of alcohol and alcohol controls prior to 1900. However, the majority of this chapter will outline the development of Australian alcohol controls from 1900 to 2010. This will be done by tracing the development of six key alcohol control policy tools as outlined in Chapter Three: taxation, availability controls, drink-driving countermeasures, treatment, advertising controls, and a national alcohol policy (while not outlined in Chapter Three, this was an important element of alcohol policy in Australia and New Zealand from the late 20th century). Consistent with the consensus identified in Chapter Three, education and information were ineffective tools and will not be traced or analysed.

Much has been written about alcohol in Australian society. Research on the early colonial period and the development of the Australian character highlighted the important role of alcohol. While some of the legend has overblown the role of drinking and drunkenness, it was clear that alcohol was important. Alcohol controls were also the subject of research, in particular the impact of six o'clock closing. The quantity of studies increased as public health scholars focused their attentions on Australian alcohol controls and the impact on health. This chapter will outline broad studies of Australian alcohol control, including: Fitzgerald and Jordan (2009), Lewis (1992), Powell (1988), Room (2010), and Loxley et al (2005). This chapter will highlight that gaps remain in the literature on comparative development of Australian and New Zealand alcohol control policy, and in particular the

influence of institutions on the course of specific (and divergent) policy trajectories. It will be argued that there has been little political science or comparative analysis of Australian alcohol controls, and no HI research.

From the early days of European settlement, alcohol was an important product and its control was a key part of government and the economy. Early controls were through customs and excise taxes on alcohol and supply controls that entities like the New South Wales (NSW) Corps had over price and distribution. As British colonies the attitudes, controls and consumption of alcohol were all heavily influenced by the old country. However, the Australian colonies soon developed their own unique characteristics due to the greater proportion of males and rural workers. Alcohol controls were among the first public policies in the Australian colonies, including: customs and excise (although considered a revenue policy), and availability controls through licensing. As the colonies developed and urbanised, the issues related to alcohol changed and the controls tightened. This chapter will briefly summarise the development of alcohol and its cultural place in early colonial Australia, as well as the development of taxation and availability controls and their importance for governments in the years prior to Federation.

In 1901 the Australian colonies joined together in a Federation and policy jurisdiction was split between the Commonwealth and State Governments. The Commonwealth had responsibility for alcohol customs and excise, and the States for availability controls. For much of the period from 1900 to 2010 these two areas were the entire expression of alcohol control policies. Customs and excise duties were a significant part of the Commonwealth revenue base in the early 20th century. However, their importance declined over time as new taxes were incorporated. The system of taxing alcohol in Australia included a number of features, such as the higher tax on spirits and the relative advantages applied to the domestic wine industry and some parts of the beer industry. Availability controls were a fierce social and political battleground in the early 20th century, and their extension to complete prohibition was hotly debated. Although no State voted for prohibition, a number introduced six o'clock closing and this led to an element of Australian drinking culture, the six o'clock swill. As the discourse changed and new approaches to alcohol control emerged, availability controls proved difficult (but not impossible) to break down. This chapter will trace the development of these two alcohol controls and it will be demonstrated that they were the only controls for much of the period, and remained the most important in Australia at the end of

the period. This chapter will explore the changes to taxation and availability controls over time, showing that while there were changes there was also a high degree of policy stability. From the middle of the 20th century policy tools (drink-driving countermeasures, advertising controls, treatment, and national alcohol policies) developed to deal with new problems or perceived failings of the existing system. This chapter will trace the development of these new policy tools. It will be demonstrated that they became a greater focus and, in conjunction with taxation being used as an alcohol control policy, changed the policy landscape.

Australian alcohol control policy displayed unique characteristics. At the beginning of the period it was a simple but heated debate about availability controls that became a complex arena of multiple controls. In 2010 it was difficult to imagine the previous level of debate and importance of the alcohol question. Despite this, there was stability in many areas of alcohol control throughout the period. Taxation was a good example, where the broad approach remained stable throughout despite evidence and ideas pointing to the need for change. A significant amount of alcohol controls were under the jurisdiction of the States, each of which had a different approach. However, the Commonwealth became increasingly involved as the period progressed and was important at the end of the period. This chapter will identify the main trends in Australian alcohol control policy during the period and start the process of identifying a specific policy development path for comparison with New Zealand. This will allow a further fine grained analysis to explore the causes of divergence across the cases.

4.2 Australian Alcohol Research

Long-term histories focused largely on the cultural role of alcohol in Australia's historical development. These identified the conflict that alcohol generated, and explored some of the major control policy developments.

Fitzgerald and Jordan's *Under the Influence: a history of alcohol in Australia* (2009) described the dilemma faced by successive governments in finding a balance between individual freedom and regulation. They built the notion that Australia was characterised by "boozers" and "wowsers", and that alcohol was a polarising force that led to significant

conflict. The book profiled the events in Australian history where alcohol played a role, such as the Rum Rebellion and Eureka Stockade. It also traced the role that governments played in regulating alcohol, starting with Governor Arthur Phillip and the challenges in regulating alcohol in a new colony through to those faced by the Rudd Government in tackling youth binge drinking. Fitzgerald and Jordan explored the conflict between key actors in the alcohol policy debate – the temperance movement and the alcohol industry – portraying it as a battle that drove historical development. Fitzgerald and Jordan also traced the key alcohol policy debates of prohibition and six o'clock closing.

Milton Lewis' *A rum state: alcohol and state policy in Australia 1788-1988* (1992) was a comprehensive history of alcohol control policy in each State and Territory. Lewis argued that one of the great tensions for the Australian state was between the role as a regulator and a recipient of tax revenue from alcohol. Lewis dispelled the myth that colonial Australians were the heaviest drinkers ever, instead arguing that the economy and individual prosperity influenced consumption. Lewis considered that the temperance movement played an important role from the mid-19th century until World War Two as a driver of policy debate on prohibition, local option and early closing. Although the impact of the movement declined over time, Lewis identified an ongoing "dead hand" on alcohol control throughout the 20th century. He argued that the Commonwealth gradually crept into alcohol control policy and took some level of responsibility through the development of a national alcohol policy.

Powell's *Drinking and alcohol in colonial Australia 1788-1901 for the Eastern Colonies* (1988) discussed the influences on consumption and alcohol control policy. Powell started by outlining a history of drinking patterns and attitudes to alcohol in 18th century Britain. In particular, the impact of the "gin craze" and subsequent government reactions to the problem were identified as important influences on the colonies. Powell took issue with the portrayal of early colonial Australians as the heaviest drinkers in world history, arguing that drinking was less than in the United States or Britain. Powell identified two Australian drinking customs formed in the 19th century: the "shout", and "drinking the cheque". Powell also outlined the growing conflict between the alcohol industry and the temperance movement, and tracked the rise of groups like the Licensed Victuallers Association and temperance societies. While policy was not a focus, Powell outlined some of the regulatory measures taken by colonial governments.

A significant scholar on modern Australian alcohol control policy was Robin Room. In ‘The long reaction against the wowser: the prehistory of alcohol deregulation in Australia’, Room (2010) argued that a key consideration in regulating alcohol was to keep drunken Australians from disturbing the population. Room argued that the temperance movement had a particular impact on policy from 1870 when they shifted their focus from persuasion of the individual to political action through local option and prohibition. The retreat from temperance ideas commenced in the 1920s, but it was not until the 1950s that controls were changed. The reduced support for temperance era control measures was due to cultural changes and new freedoms in society. Room argued that a section of the alcoholic beverage industry, notably pubs and taverns, used temperance era controls to keep competitors out of the market. This was identified as an interesting paradox; controls introduced to remove hotels became strongly supported by them. Room argued that during the 1960s there was a growth in state provided treatment at the expense of other controls, largely driven by alcoholism ideas. Drink-driving countermeasures were the only divergence from this paradigm, as public concern about the road toll brought strict controls through the 1970s and 1980s. Room’s key argument was that an ideological war between “wowsers” and liberals was the major driver of alcohol control policy in Australia from the late nineteenth century. Well after the temperance movement had any influence on the policy debate, the fear of being labelled a “wowser” drove politicians into taking a more deregulatory approach to alcohol control.

Loxley et al’s (2005) ‘Alcohol policy and harm reduction in Australia’ was written from a harm minimisation perspective and assessed policy across seven areas (taxation, availability, drinking context, drink-driving countermeasures, advertising controls, community interventions, and treatment). Loxley et al were particularly concerned with how policy could be made more effective and argued that the approach was not effective. Loxley et al argued that taxation was raising revenue for governments and supporting the Australian wine industry through preferential treatment, and argued for a tiered volumetric taxation system and hypothecated levies. They argued that the National Competition Policy had removed the capacity of State Governments to limit availability and that the “neo-liberal zeitgeist” must be overcome to allow greater intervention to increase price and reduce availability. Loxley et al saw prospects for the National Alcohol Strategy to reduce alcohol related harm.

Stewart’s (1997) ‘approaches to preventing alcohol related problems: the experience of New Zealand and Australia’ was the only direct comparison of alcohol controls across the two

countries. Stewart wrote from a public health perspective and outlined the strong similarities between both countries, arguing that deregulation happened during a similar period in Australia and New Zealand. The work focused on the development of national alcohol policies, arguing that liquor was the driver in New Zealand but illicit drugs were the catalyst in Australia. Stewart argued that the two countries took a different approach to alcohol taxation, which delivered divergent alcohol markets and consumption patterns. This included the growth of light beer in Australia due to preferential tax treatment but not in New Zealand. Stewart also argued that Australia took a more rigorous approach to drink-driving countermeasures. While there were differences, Stewart argued that many policy developments happened in a similar way in both countries.

The alcohol policy actor that received most attention was the temperance movement. A comprehensive history from an insider's (subjective) perspective was Dillon's *A delusion of the Australian culture: a brief history of the clash with alcohol in NSW 1788-1983* (1985). This history of the temperance movement was filled with emotion and sharp criticism of the alcohol industry. As an active participant in the movement, Dillon talked up the virtues of all involved in the long battle with the "demon drink". Dillon considered it a battle where the good and pure temperance campaigners battled the evil liquor industry and its humble servants, State Governments. It was a comprehensive account of the political ambitions of the temperance movement and their desire to influence politics. Dillon detailed their role in key policy debates such as local option, early closing and prohibition. The work charted the temperance movement from early beginnings, to the growth and height of influence in the early 20th century, and then virtual demise as a political force. A more scholarly piece of research into the Victorian temperance movement was by Hyslop (1977). This history of the Victorian WCTU identified its strong religious nature and evangelical approach in executing its aims of prohibition. It also focused on the conflict with their opponents from the alcoholic beverage industry.

Lenton (2008) in *Drugs and public health: Australian perspectives on policy and practice* used Kingdon's framework to assess the policy regarding sentencing options for repeat drink-drivers in Western Australia. This work was the only assessment of Australian alcohol control against policy change theories or frameworks, although Lenton used a very limited area to study. Lenton argued that Kingdon's concepts were particularly useful and that: policy entrepreneurs were important, the multiple streams approach provided insights into the

process of policy change, there was a policy “softening up” phase and change advocates needed to search for emerging policy windows, and researchers must engage better with the policy process.

The role of institutions as an influence on Australian alcohol policy received some analysis by Ryder (2008). While not a comprehensive assessment of the role of institutions, it did assess the separation and division of powers. Ryder identified the federal system as a key influence with some elements of policy a State responsibility, some a Commonwealth responsibility and others where co-operation was required. Ryder argued for the powerful influencing force of institutions, using the example of the High Court’s decision to disallow the Northern Territory Government’s levy on alcohol. Ryder argued that this showed how the High Court had a very large influence, albeit unintended.

A comprehensive history of liquor licensing in Australia was edited by Stockwell (1994), *An examination of the appropriateness and efficacy of liquor licensing laws across Australia*. This research also briefly compared the experience with liquor licensing in Australia and New Zealand. The work included the following findings:

- There was a shift from the 1950s away from the social purposes of regulation towards deregulation, reduced state interference, and economic diversity;
- Public order was a constant objective of the liquor licensing system;
- The public debate shifted from prohibition and reduction of overall consumption to harm minimisation;
- There was a shift away from licensing being used to control and limit alcohol availability, in favour of diversity and catering for the needs of consumers;
- The industry was generally favourable towards regulation, but for very different reasons to the public health movement; and
- The New Zealand policy development process was considered superior from a public health perspective.

There was also a range of research on specific elements of Australian alcohol control policy. This covered a range of policy tools (taxation, availability controls, drink-driving countermeasures, national alcohol policy) and vulnerable groups (in particular, Aboriginal Australians). One piece of research on a specific element of control policy was Hawks (1993)

assessment of the development of Australia's national alcohol policy. Hawks noted that the National Campaign against Drug Abuse (NCADA) and subsequent national alcohol policy was pursued vigorously by the Prime Minister Bob Hawke. Hawks argued that Royal Commissions into drugs prior to the Hawke Government were the precursor to the policy. Hawks also outlined how the South Australian Government was instrumental in slowing and watering down the national alcohol policy, under pressure from the local wine industry.

4.3 Alcohol and Alcohol Policy in Australia pre 1900

From the beginning of the colony of Sydney, alcohol was an important part of social and economic life and quickly became a headache for the early Governors. The 26th of January 1788 was reportedly a night of drunkenness at Sydney Cove (Fitzgerald and Jordan 2009, 11). The officers of the NSW Corps had control over ships entering the colony and could therefore control the flow of alcohol. They also had the capacity to purchase spirits at fixed prices and then re-sell at market prices, thereby establishing the Corps as a cartel (Fitzgerald and Jordan 2009, 22-6). Successive Governors made attempts to halt the flow of spirits, but they were thwarted by the power of the Corps who had established a lucrative market to supplement their employment (Fitzgerald and Jordan 2009, 28-36). This led to the infamous downfall of Governor Bligh who tried to break the NSW Corps' stranglehold over the rum trade, and was ousted by the officers (Fitzgerald and Jordan 2009). With few other recreational pursuits, the largely male colonial population established (heavy) drinking as a popular pastime (Stewart 1997, 391). Officers, free settlers and even convicts had access to alcohol (Fitzgerald and Jordan 2009, 21). In 1800 the colonists of New South Wales drank around 13 litres of alcohol per capita per annum and by 1820 the rate had dropped to 12.5 litres, a slightly higher rate of consumption than Britain (Fitzgerald and Jordan 2009, 63; Lewis 1992, 7; Powell 1988, 12). By the 1830s there was a spike in consumption to a rate above that of Britain, although less than in the United States and other European countries (Lewis 1992, 7; Powell 1988, 11; Room 2010, 152). This period brought the highest rate of spirits consumption in Australian history. Consumption dropped due to the Depression of the 1840s, and then rose again with the gold rushes of the 1850s (Brady 2008; book 5, 7).

From 1860 to Federation, average consumption fell. This was attributed to increased urbanisation as major cities of Sydney and Melbourne grew, replacing the rural frontier

(Powell 1988, 60; Fitzgerald and Jordan 2009, 173). In the 1890s another Depression hit the Australian economy and average consumption dropped to less than six litres per person per year, less than half of the average earlier in the 19th century (Room 2010, 152). There were regional differences, even though it was the major beer producer Tasmania had the lowest consumption per capita due to its economic frailties (Fitzgerald and Jordan 2009, 90). From the First Fleet to Federation, the beverage preference shifted from rum to brandy to beer. Rum was the favoured drink of the navy, even though beer was the predominant drink in England and whisky was the favoured drink of the Irish in the late 18th century (Fitzgerald and Jordan 2009, 19-20). By the middle of the 19th century the preferred drink was brandy, despite the number of Irish and Scottish immigrant's whisky was not commonly consumed until later in the century (Fitzgerald and Jordan 2009, 66; Lewis 1992, 8). Beer consumption did not take off until later in the 19th century; its lack of keeping qualities and the hot Australian climate meant that it could only be consumed in the area where it was produced (Fitzgerald and Jordan 2009, 58-61). Beer production was best suited to the cooler climates and Tasmanian beer was the beverage of choice. Upon the founding of each colony, a brewery was established to service the local population (Fitzgerald and Jordan 2009, 71). By the 1830s wine was increasingly popular, and from the middle of the century local table wines were consumed to a greater extent. Victoria established itself as the wine capital by the late 19th century and encouraged Australians to shift to local wine (Fitzgerald and Jordan 2009, 113; Lewis 1992, 8). But by 1900, beer was firmly entrenched as the beverage of choice (Fitzgerald and Jordan 2009, 136).

Colonial alcohol consumption occurred in licensed taverns and pubs, as well as illegal "sly grog shops". By 1837 Sydney, with a population of 23,000, had 224 licensed taverns plus a large number of sly grog shops. In 1850 Hobart there were around 150 taverns, described as cheaply constructed "boozing dens" (Powell 1988, 15). The concentration of licensed outlets continued to grow through the 19th century; the ratio of licences to population hit its peak in 1880 and never again reached this level (Lewis 1992, 15). High numbers of outlets left a legacy of using the licensing law to provide both economic and social regulation, as well as industry development and trade protection (Stewart 1997, 391). Australians developed specific patterns of drinking during the 19th century. One was the rural male tradition of "drinking the cheque". Rural workers would forego alcohol for weeks or months while they worked in the bush, but when they had leisure time and had been paid would go on drinking binges that lasted for days (Powell 1988, 34; Room 2010, 153; Brady 2008, book 5, 10).

Brady argued that it was common for these workers to drink until they passed out (Brady 2008, book 5, 20). Another pattern was the “shout”, where each drinker was expected to buy a round of drinks for the group. This was closely linked to male mateship, which became a feature of the Australian character (Powell 1988, 32; Room 2010, 153). Rural binge drinking was less influential as Australia became urbanised from the 1860s (Lewis 1992, 10). However, high levels of drunkenness were a feature throughout the 19th century, leading to a strong policy focus on reducing public drunkenness (Lewis 1992, 15; Stewart 1997, 391).

Australian attitudes to alcohol were influenced by English settlers. Gin was cheaply available in urban English society and binge drinking was considered to be out of control in the first half of the 18th century (Brady 2008, book 5, 3; Powell 1988, 4). This led the British Government to raise the price and decrease the availability of gin (Powell 1988, 4-5). Everyday drinking was ingrained in English society by the time that Australia was colonised. It was considered to be a normal activity and not viewed as a problem; pressure was often placed on people to drink to be a normal member of society (Lewis 1992, 5; Brady 2008, book 5, 3-9; Fitzgerald and Jordan 2009, 17). The English considered fermented drinks like beer and wine to be relatively harmless and only spirits were regarded as a problem (Fitzgerald and Jordan 2009, 186). However, most wealthy and educated people frowned upon public drunkenness (Brady 2008, book 5, 9). Early colonial alcohol consumption prompted the historian, Russel Ward, to claim that no people had ever consumed more alcohol in history. However, consumption levels were less than many other comparable countries (Lewis 1992, 8; Powell 1988, 12).

While indigenous problems with alcohol are linked to European settlement, some aboriginal tribes were producing fermented drinks prior to European settlement (Fitzgerald and Jordan 2009, 216; Brady 2008, book 2, 2). Some tribes in the Northern Territory and Queensland had regular contact with traders from Indonesia who provided them with spirits. European explorers in the 18th century had also provided alcohol to aboriginal tribes, presumably in friendship (Brady 2008; book 2, 12; book 3, 7-22). The experience of aboriginal Australians changed with European settlement. In early colonial times it was hard for aborigines to get alcohol because of tight controls and the value placed on it by officers and free settlers. However, there were many hotels and sly grog shops near aboriginal camps and it did not take long for aborigines to be given alcohol (Brady 2008; book 2, 21; book 5, 19). During the 19th century aborigines were progressively prohibited from being sold or supplied alcohol.

But by the second half of the century, alcohol was having a devastating effect and drunk and disorderly was the most common offence with which aborigines were charged (Brady 2008; book 4, 21; book 6, 4).

Alcohol Controls pre 1900

Early alcohol control policies drew heavily from the English tradition. The focus was on reducing public drunkenness using availability controls, a system in place from mid-16th century Britain when drunkenness became viewed as a public nuisance and controls were introduced so alcohol could only be sold under licence (Lewis 1992, 53; Room 2010, 154). The British system of control was extended by the Gin Act of 1751, a response to the “gin craze”. The British state initially tried to deal with the rise in public drunkenness through punishing the individual but the Gin Act imposed new taxes and strict controls so that spirits had to be sold and consumed in licensed taverns, decreasing the access of the poor (Fitzgerald and Jordan 2009, 18; Lewis 1992, 5; Powell 1988, 4, Room 2010, 154). The Australian colonies took alcohol controls directly from Britain, especially liquor licensing (Fitzgerald and Jordan 2009, 190; Lewis 1992, 2). The colonies banned distilling but actively encouraged brewing and viticulture which was seen as important for agricultural development (Lewis 1992, 26-9). The first Governor of NSW, Arthur Phillip, required a permit to land spirits in the colony and granted the first liquor licence to the fleet Commander to set up liquor shops in Sydney (Fitzgerald and Jordan 2009, 21-3). The first Liquor Act passed by the colonial legislature in NSW was in 1825 and aimed to raise money for the general revenue and ensure the orderly conduct of public houses (Lewis 1992, 54; Craze and Norberry in Stockwell 1994, 40). The early focus had legal and moral undertones, with the policy responses punitive to encourage individuals to behave appropriately and therefore reduce public drunkenness. Like Britain, all sale of alcohol was restricted to those with a licence (Fitzgerald and Jordan 2009, 61). Taxation through the tariff and excise, and a strong licensing regime, became the major tools of policy during the 19th century (Fitzgerald and Jordan 2009, 56). From the mid 19th century, most colonies conducted inquiries or Royal Commissions into existing legislation or the issue of intoxication (Lewis 1992, 52-8). For example, in 1867 there was a Victorian Royal Commission into the Operation of the Wine and Spirit Sale Statute (Lewis 1992, 53).

An early tool of colonial alcohol policy was customs and excise duties. These were easy to administer and unlikely to attract negative attention from the public when compared with more direct forms of taxation (Reinhardt and Steel 2006, 4). Smith argued that these indirect taxes were most commonly levied by young communities (Smith 2004, 11). The excises in the Australian colonies were concentrated on working class pleasures, alcohol and tobacco. Demand for both was relatively inelastic, the necessities of working life for many colonists (Smith 2004, 14). English laws applied in the early colonies and taxes could only be levied on the authority of the British Parliament, they did not pass the first law legalising taxes in the colony of NSW until 1819 (Smith 2004, 8). The first taxes imposed by the Governor of NSW were on imports of spirits, wine and beer that were hypothecated for the costs of policing in the colony. This led to the ironic outcome where the more the citizens drank, the greater the resources available to control them (Smith 2004, 10). Customs duties on imports were an early focus but were soon matched by excises on locally produced goods. By 1840 customs and excise duties had moved beyond alcohol and tobacco to staples such as tea, sugar, flour, meal, rice and grain (Reinhardt and Steel 2006, 4). From the middle of the 19th century, the taxing of goods like alcohol was no longer enough to meet the fiscal needs of the colonies (Smith 2004, 13). In 1866, Victoria was the first colony to introduce a protectionist tariff and by the mid-1890s had increased from 10% to nearly 50% (Smith 2004, 18-9). Most colonies collected over three quarters of their revenue from customs and excise, with alcohol the largest contributor (Smith 2004, 19). But the 1890s Depression meant that customs duties collapsed and by 1900 most colonies had passed laws to impose direct taxes such as income and land taxes to balance their budgets (Smith 2004, 21). In 1896-7, 76% of tax revenue came from customs and excise. This varied by colony with 63% in NSW, 77% in Victoria, 86% in Queensland, 65% in South Australia, 96% in Western Australia, and 78% in Tasmania (Smith 2004, 43). An implication of Federation in 1901 was the removal of duties on goods traded between the Australian colonies, including alcohol (Reinhardt and Steel 2006, 2).

Availability controls, largely through licensing, were the major alcohol policies in the Australian colonies. There were different types of licences. Fitzgerald and Jordan argued that production licences were issued on patronage whereas distribution licences were based on the character of the applicant (Fitzgerald and Jordan 2009, 56). Each colony had its own subtle differences. In Victoria, the prospective licensee had to get a certificate from a magistrate testifying to their good character and pay a fee of 25 pounds. But from the early

19th century there was plenty of liquor trading outside of licensed premises (Fitzgerald and Jordan 2009, 61-4). This either happened in existing businesses (“sly grog shops”) or informally, and it became a challenge for colonial governments (Fitzgerald and Jordan 2009, 65). Sunday trading was banned in pubs and taverns and took effect in Victoria in 1854, NSW in 1882, Queensland in 1886, and South Australia in 1896 (Lewis 1992, 58; Powell 1988, 37; Room 2010, 155; Dillon 1985, 128). Opening hours were also restricted, NSW introduced trading hours of 4am to midnight in 1862 (11pm from 1882) and Victoria had a closing time of 11.30pm from 1885 (Powell 1988, 40; Room 2010, 155). As the economy expanded, so did the number of licences. In NSW there were over 2,000 licensed hotels in 1870 and nearly 4,000 by 1880 (Powell 1988, 40). Even the smallest colony of Tasmania had over 400 licensed hotels by the late 1880s (Dillon 1985, 97). This growth led to community and temperance concerns about the colonies being “awash with grog”.

Local option was a policy that provided voters the opportunity to have a say on licence numbers in the local area and it became a part of liquor legislation in the colonies in the later 19th century. By the 1890s, every colony had some form of local option except Western Australia (Fitzgerald and Jordan 2009, 158; Room 2010, 154). Each colony had a slightly different approach built around the principle of voters having the capacity to: eliminate licences, reduce licences, or veto/allow new licences in a local district. Local option polls were often held in conjunction with State elections and provisions were progressively strengthened during the 1880s and 1890s (Room 2010, 154). Under the 1885 Queensland legislation, voters in a district could remove all licences or have limited licensing with a two thirds majority (Dillon 1985, 104; Lewis 1992, 57). The 1891 South Australian legislation allowed for polls on the reduction of licences or the granting of new ones (Lewis 1992, 58). The 1876 Victorian legislation only allowed new licences to be granted after a majority had voted in favour at a mandatory poll, and did not allow new licences where a statutory number per head of population in a district had been exceeded (Lewis 1992, 54-5). Victoria had a compensation fund to reimburse licensees impacted. Between 1886 and 1902, 16 licensing districts saw a reduction, 217 hotels were closed and 213,000 pounds paid in compensation (Lewis 1992, 55). Local option had begun to have some impact by the late 19th century.

Royal Commissions and inquiries found the system to deal with alcohol related problems to be poor. A 1880s Royal Commission in Victoria confirmed that prison and fines were useless in stopping drunkards and recommended compulsory seclusion (Lewis 1992, 104).

The colonies began introducing legislation to allow for the special treatment of ‘habitual drunkards’ in inebriate asylums, such as the 1888 *Inebriate Asylums Act* in Victoria. In Tasmania a Royal Commission recommended public subsidies to charitable inebriate retreats, facilitated in the 1885 *Inebriates Act*. In South Australia the 1881 *Inebriates Act* provided for court ordered stays in a special home (Lewis 1992, 105). An 1887 New South Wales inquiry heard of the failure of the criminal justice system to reduce drunkenness and argued for the establishment of inebriate asylums. During the 1890s, convictions for drunkenness remained significant and contributed to the overcrowding of prisons (Lewis 1992, 107-8).

4.4 Alcohol policy 1900 – 2010

Australian alcohol policies incorporated ongoing changes to the existing tools of taxation and availability, and the introduction of new policy tools during the period. Australian alcohol control policies were also internally diverse because of the split in policy responsibility between the Commonwealth (taxation, advertising controls), the States (availability controls, treatment, drink-driving countermeasures), and areas of joint agreement (national alcohol policies).

Alcohol Taxation

Reflecting a path dependent dynamic, alcohol taxation arrangements in place in 1900 were largely continued for most of the 20th century, including differentiated arrangements for each beverage category and a primary purpose of revenue generation. In the 1980s taxation began to be used for different purposes and there were changes made that encouraged consumption of certain products or assisted parts of the alcoholic beverages industry. State and Territory attempts to tax alcohol were quashed by interpretations of the High Court.

At Federation in 1901, customs and excise was the only source of revenue for the Commonwealth Government. Duties on alcohol and tobacco represented the most important component of customs and excise (Mathews and Jay 1972, 54). In the early 1900s, it was estimated that around one quarter of all Commonwealth tax revenue came from duties on alcohol (Lewis 1992, 17). There were few changes to alcohol taxes from Federation until the late 1970s, apart from short-lived attempts by the States to introduce their own taxes (Smith

2004, 139). But because of the growth in other taxes it became a substantially smaller contributor to the tax take over time (Reinhardt and Steel 2006, 19; Crosbie et al 2000, 9). By the 1980s, the share of Commonwealth revenue from alcohol had dropped from 25% to about 3% (Lewis 1992, 17). In 2008-09 revenue from taxation of alcohol was over \$6 billion, with nearly \$4 billion in excise, and just over \$1 billion from the Wine Equalisation Tax and customs duties (Webb 2009, 1). Excise duties were largely drawn from beer because it was almost entirely domestically produced whereas most spirits were imported (Webb 2006, 6).

For most of the 20th century the purposes of alcohol taxation were raising revenue. The application of a higher excise on spirits, lower excise on beer and no excise on wine continued until the 1980s. The reduction of harm and improvement of public health was only a later purpose (Loxley et al 2005, 560). The tax rates applied to each beverage type varied significantly. Webb argued that this was due to a combination of historical factors including: raising revenue, reducing social costs, political compromises, and industry assistance (Webb 2009, 3). Decisions to redirect tax policy towards new purposes began in the 1970s, at about the time that the public health movement gained traction within alcohol policy (Smith 2004, 139).

Each beverage category was taxed differently in Australia throughout the period. Beer was taxed through Commonwealth excise from 1901. It was initially taxed by its total volume rather than the amount of alcohol, in fact beer needed to have a minimum strength of 4.17% alcohol until 1979 (Lewis 1992, 91). By 2010 the first 1.15% of alcohol in beer was excise free; this was a different arrangement to other beverages such as spirits (Webb 2009, 2). Up until the 1980s, excise on beer did not keep up with price movements. This was because excise was not automatically adjusted for inflation and adjustments only happened periodically, often after significant debate (Clements 1982, 3). From 1988 beer was taxed according to its alcohol content, making it one of the few OECD countries to do so (Webb 2006, 6). Spirits were the subject of excise since Federation at a much higher rate than beer, reflecting historical concerns about the impact of spirits on alcohol abuse and a tradition of being an imported product. Wine was always treated differently. Although there was a brief sales tax on wine in the 1930s, wine was not taxed at all until 1984 when the Wholesale Sales Tax was applied to wine at the rate of 22% of value (Smith 2004, 140). Unlike beer and spirits, wine was never the subject of a volumetric tax and was taxed on value. As a result

low value products were the subject of less tax than high priced ones, even if they had the same alcohol content. Wine was generally taxed at a lower rate than beer per standard drink, and a significantly lower rate than spirits (Crosbie et al 2000, 12-4). Reviews (such as the Industry Commission and Henry Review) recommended that wine should be taxed like beer and spirits through the application of a sales tax and an excise based on alcohol content (Smith 2004, 141). The treatment of wine by the Australian tax system was an anomaly.

During the 1970s and 1980s there were changes to the taxation of alcohol that were in line with incrementalist explanations for policy change identified by historical institutionalists. In 1979 a lower rate of excise was introduced for brandy, a concession that remained in 2010 although it was introduced as a temporary measure (Webb 2006, 7). Brandy is a spirit but this change supported the Australian wine industry, because wine grapes were used as the base product for brandy (Lewis 1992, 44). From 1984 the Government created a new lower excise rate for low alcohol beer (Crosbie et al 2000, 10; James 1996, 1; Lewis 1992, 181). This created an excise and price differential between full strength and light beer, and prompted significant growth in the light beer market (James 1996, 13; Stewart 1997, 295). The change was the first example of the Commonwealth using excise to impact on alcohol consumption, and therefore public health. The 1983 Hawke Budget also introduced automatic indexation of excise twice a year in line with the Consumer Price Index (James 1996, 1). This reduced the conflict over excise increases (by automating them) and ensured that the rate kept pace with price movements, thereby protecting the Commonwealth's revenue against erosion.

A state tax initiative was the Northern Territory (NT) Government's Living with Alcohol Program (LWA). In 1992 the LWA program was introduced which included: education, additional availability controls, expanded treatment, and a 5 cent levy on each standard drink. The LWA was designed to reduce consumption and the levy would fund the program (Chikritzhs et al 2005, 1625-6; Ryder 2008, 377; VAADA 2010, 4). The NT had a high aboriginal population and levels of alcohol abuse, LWA attempted to address these issues. The LWA levy was the most significant State or Territory based alcohol tax during the period (Crosbie et al 2000, 3; Stewart 1997, 395). But in 1997 the High Court ruled in the *Ha Case* that State taxes on petrol, liquor and tobacco were unconstitutional (Crosbie et al 2000, 5). The *Ha Case* was unrelated to LWA, a dispute about tobacco business franchise fees in NSW. But the decision had the effect of invalidating any State or Territory tax on goods that

were the subject of excise, including the LWA levy on alcohol. This stopped the LWA levy and the capacity for States or Territories to introduce similar taxes (Ryder 2008, 377; Loxley et al 2005, 560). The evidence showed that in the five years of the LWA levy, there was a decline in aboriginal death rates from alcohol abuse (Chikritzhs et al 2005, 1634; Loxley et al 2005, 560). Although the Commonwealth gave funds to the NT to replace what was lost through the High Court decision, the program was not as successful without the levy and was abandoned in 2002 (Chikritzhs et al 2005, 1634).

There were major changes to the Australian taxation system with the introduction of a Goods and Services Tax (GST) in 2000. Beer excise rates were adjusted to ensure that the Government's commitments were met, a full strength carton of beer only increasing by 1.9% and no increase in light beer (NDS 2001, 35). The amended system also included a measure to reduce the excise on draught beer and created a differential between draught and packaged beer. Tax on wine was retained through the introduction of a Wine Equalisation Tax (WET) which, in conjunction with the GST, replaced the Wholesale Sales Tax (WST) on wine (Smith 2004, 141; VAADA 2010, 2). The WET aimed to maintain the previous tax arrangements and the new tax represented 29% of the wholesale sales value and included a rebate for small wine producers (VAADA 2010, 2; Webb 2009, 2). The Commonwealth Government did not use the opportunity provided by a period of tax reform to significantly alter the alcohol taxation arrangements. The somewhat unusual existing arrangement of applying volumetric tax and value tax on beer and spirits, yet only applying value tax on wine, was not changed.

The reforms in 2000 also harmonised tax rates on beer and spirit based products of less than 10% abv, to offset the removal of the WST (Crosbie et al 2000, 2; NDS 2001, 35). One effect of this was to reduce the tax on spirits based products of less than 10% abv, specifically RTDs. Following this there was a tripling in the sales of RTDs from 1999 to 2007 (VAADA 2010, 3; Shakeshaft et al 2009, 223). The increased consumption of RTDs – especially by young people – created a problem. In March 2008 the Rudd Commonwealth Government announced a strategy to tackle youth binge drinking including a 70% increase in excise on RTDs (Vandenberg et al 2008, 579; Fitzgerald and Jordan 2009, 2). Despite the Bill failing in the Senate in March 2009 by a single vote (Shakeshaft et al 2009, 223), the tax was introduced after passing the Parliament later in 2009.

Availability Controls

The period from 1900 until the 1930s was notable for sharp debates about alcohol availability controls. Incremental changes were made to the controls in each State and Territory, and even more extreme changes were proposed. There were numerous parliamentary reviews, Royal Commissions, and referenda concerning alcohol availability. However, the tide turned. After the Second World War there was a reduced focus on availability controls, a shift towards deregulation, and a general public perception that strong availability controls were not desirable. But a number of the measures proved difficult to change, particularly with the strong support of unlikely bedfellows – the temperance movement and the alcoholic beverages industry.

As previously noted, a feature of early 20th century availability controls in each State was local option. At Federation in 1901 local option was in place in all states except Western Australia, which introduced it in 1911. Polls were often (although not always) held at State Elections. While the rules were different in each State, local option polls asked voters to cast their views on the granting of further licences, the reduction of existing ones, or the removal of all licences. **Appendix 1** details the key defining features of local option in each State in 1912, the year after local option had commenced in WA. Most had been active in the previous decade and had implemented local option legislation. NSW held polls every three years at the State Election (without petitions) since 1907 with standard resolutions, and Victoria implemented changes in 1906 that brought them into line with the arrangements in NSW from 1916 – with a Licences Reduction Board reducing licences until then (rather than through local option polls). Queensland retained many of the features of the 1885 local option arrangements with smaller (than electoral districts) licensing districts and requirements for a petition of residents to trigger a poll in the district (at least one sixth of electors) with regard to a specific resolution, rather than standard resolutions. South Australia also required a petition of residents (at least one tenth of electors) to trigger a poll, although their licensing districts were in line with electorates. WA had legislated in 1911, although the range of resolutions did not commence until 1920. Tasmania had limited local option where residents could petition for a poll in response to new licence applications only (Commonwealth of Australia 1912, 1204-10). There was significant divergence in the way that polls were instigated and the scale of districts used to determine local option, whereas New Zealand (see chapter six) had a uniform approach across the country.

There was also a complex array of: resolutions submitted at local option polls, rules governing polls, and the effects of resolutions. The range of questions could include: increase/continuance, no new licences, reduction, or no licence (and restoration). Most included an option for: no licence in the district (except SA and Tasmania), or licence reduction (except Tasmania). Similarly, most States had an option for continuance or an increase in licences (except Queensland, although this occurred if no petition was received for a poll). Except for NSW and Victoria, there was an option for voters to support no new licences being granted in the district. The thresholds and rules governing the polls varied with a simple majority for some questions (usually continuance and reduction) and a higher threshold for others; WA, Victoria and NSW required a 60% majority and at least 30% of the electors to support no licence, whereas in Queensland the threshold was a two thirds majority. The amount that licences would be reduced (if reduction was carried) also varied, with some stipulating a reduction of one quarter of licences and others one third. Responsibility for overseeing reductions also varied with some States using the Licensing Court or a Licences Reduction Board, some establishing Special Benches (SA and Tasmania) and others using the Licensing Authority (Queensland). WA used the interim period from 1911 to 1920 to poll support for state control and management of licensing (Commonwealth of Australia 1912, 1204-10). Although there were similarities in the local option arrangements in some jurisdictions (NSW, Victoria and WA), others varied markedly.

While local option saw significant legislative activity in the Australian States, there were few local option polls held and limited impact. NSW held only three genuine local option polls (1907, 1910, 1913) before it was suspended. In 1907 there were significant reductions (nearly 300 hotels were closed), but no district voted for no-licence and there were no dry areas. Victoria had reductions in 1902, but following the 1906 legislation only held one local option poll in 1920; where there were significant reductions (71 districts out of 216) and two voted for no licences and became dry areas (Camberwell and Box Hill). However, local option was abolished in 1922 in favour of an eight yearly prohibition referendum. In Queensland there were three (very) small rural districts with no licence in place by 1909. While many local option polls were held, only a very small (compared to NSW and Victoria) number of districts experienced licence reductions and all dry areas were removed. Local option was amended in the 1920s to be held in every seventh year and then abolished in 1935. In South Australia, like Queensland, there were few districts that voted for reduction and no

dry areas. In Western Australia only one local option with all resolutions was held, in 1921. At this poll 32 districts voted for continuance while 10 voted for reduction; however, local option was repealed in 1922 in favour of five yearly prohibition referendums and the establishment of a Licences Reduction Board. In Tasmania polls were held periodically when new licence applications were made, but most failed to reach the threshold of 25 percent of electors voting to make the results valid. For example, polls in 1924 and 1927 were held in 40 municipalities but in only one municipality in each case did the number of voters achieve the required minimum; elections were not held along with State elections (Commonwealth of Australia 1909-29). Interestingly, the States with the most comprehensive local option (Victoria, NSW, and WA) arrangements had the shortest experience with it – WA and Victoria only had one poll with full local option – before it was repealed. Whereas the States with more modest local option, such as SA where it was only abolished in 1967, lasted for much longer (Commonwealth of Australia 1909-29; Lewis 1992, 85).

The results of local option polls in Australian States demonstrated that very few areas went dry due to local option. The two examples were Camberwell and Box Hill in Melbourne which went dry at the 1920 local option poll in Victoria (Moyes 2009; Fitzgerald and Jordan 2009, 171). These suburbs remained dry, with no hotels, at the end of the period in 2010 (Australian Financial Review 2014). However, their impact on the drinking landscape or alcohol policy environment in Australia was relatively minimal. Their limited scale in a significant city that grew significantly during the period meant that dry areas were viewed as an amusing throwback to a different time when temperance debates were king. Compared to this, New Zealand local option produced a significant number of dry areas that had a far more significant impact on the alcohol control policy environment.

The local option polls ensured a lively debate about the numbers of licences and would have hung like a sword above the head of hoteliers. However, the most significant impacts were on stopping new licences (Fitzgerald and Jordan 2009, 172). In the years prior to World War One, and soon after, the results showed support for limiting the numbers of licences, a sign of strong temperance views and the legacy of licence growth in the late 19th century (Lewis 1992, 58-70). Although local option polls remained until after World War Two in some States, from the 1930s they were held less regularly (Lewis 1992, 58-62 and 73). In a number of Australian States, local option was repealed or suspended in the 1920s as other

approaches such as prohibition referendums were introduced (Victoria and WA). This was also the case in New Zealand (see chapter six); however both local option and what replaced it (General Licensing Poll) had a more significant impact on the alcohol control environment than in any Australian State.

Compared to the very limited number of dry areas, a higher number of districts in Australian States (Victoria, NSW and WA) experienced a reduction in licence numbers. To supplement (or replace) local option, some States operated boards to oversee the reduction of licences, such as the Victorian Licence Reduction Board. The number of licences in Victoria had, by 1921, dropped to around half the levels of the 1880s (Room 2010, 155). In the ten years after its establishment in 1906, the Board oversaw the closing of more than 1,000 hotels (Lewis 1992, 60). By 1929, the Board had overseen the closure of nearly 1,700 hotels throughout the state (Commonwealth of Australia 1929, 1006). Similarly, the NSW Licence Reduction Board was established in 1919 and oversaw the removal of nearly 500 hotel licences by 1935 (Commonwealth of Australia 1929, 1006; Lewis 1992, 74). The Boards in Victoria and NSW were appointed by the State Government and was made up of magistrates from the Licensing Court. Their work was to reduce the number of hotels, with a particular focus on hotels that were not required or had lower standards. The Boards also provided compensation to hotel licensees and owners that had been deprived of their licences, which was funded through a levy on all hotels as a percentage of their alcohol purchases. This levy was 6% of the value of purchases in Victoria and 3% in NSW (Commonwealth of Australia 1929, 1006). Local option also had a significant impact on new licences, which were required to go to a poll and often rejected by residents (Lewis 1992, 92). This established a regime where it was very difficult to gain a new liquor licence, which suited both the temperance movement and existing hoteliers.

The most extreme policy action to regulate alcohol availability – prohibition – was actively considered in the early 20th century. The lack of outcomes (in terms of dry areas) from local option, the strength of the temperance movement, and experience in the United States (where there was national prohibition from 1919 to 1933) all generated support for prohibition after World War One (Lewis 1992, 65). The approach to the issue varied across States, some introduced the requirement for regular prohibition referenda to be held. The 1922 Victorian Licensing Act required referenda to be held every 8 years on the question of prohibition (Argus 1945). Similarly, the 1922 WA Licensing Act stipulated that in 1925 and every five

years thereafter a prohibition referendum be held (Government of Western Australia 2012; Commonwealth of Australia 1925, 1028). While a referendum was held in 1925 there was not another held until 1950, despite the requirements of the Act. Referenda were used by State Governments to determine whether prohibition should be introduced, they were held in four of the six states during the period 1920-1950 (a total of 7 referendums). No prohibition referendum was held in either South Australia or Tasmania. Queensland was the first state to hold a referendum in 1920 and then again in 1923. In addition to prohibition, the question of state control was also put to the electorate (QLD Parliament 2008). Western Australia was the next state to run a prohibition referendum in 1925, followed by NSW in 1928 (NSW Electoral Commission 2012), Victoria in 1930 and 1938 (Argus 1945; Lewis 1992, 67; Butler and Ranney, 167-8), and the final referendum in WA in 1950. In each State the questions varied, in NSW the question asked whether the electorate supported prohibition with compensation (NSW Electoral Commission 2012). No state voted for prohibition, the highest yes votes were in Queensland in 1920 and Victoria in 1930 where over 40% support was achieved (all liquor referenda results are listed at **Table 1** in chapter five). Most often the prohibition vote was around one third support. No referendums were held on the question of prohibition after 1950 (Fitzgerald and Jordan 2009, 176). This contrasts with the experience in New Zealand, where local option was transformed into a referendum on prohibition (General Licensing Poll) at every General Election from 1919 until 1987 with the same questions regarding continuance, prohibition or state control (see chapter six).

There was one significant example of Prohibition being introduced in Australia during the period. When Australia's new capital (Canberra) was selected in 1911, the area was transferred from NSW to Commonwealth control. This resulted in alcohol availability controls coming under Commonwealth responsibility, a policy area that was otherwise the responsibility of the States. In 1911 the Minister for Home Affairs, King O'Malley (a "charismatic teetotaler"), introduced an ordinance that no new liquor licences would be granted in the Territory (National Archives of Australia 2013). This was an attempt to keep the workers involved in constructing the city and the early residents from the influence of alcohol. Despite the ordinance, the Territory was never dry. It was not unlawful to possess or consume alcohol, so residents regularly crossed the border into NSW at Queanbeyan and purchased their liquor to bring back into the Territory (National Archives of Australia 2013). The brief experience with Prohibition ended in 1928 after the residents of the Territory voted to end it at a plebiscite. In November 1928 the first cartload of Cascade Ale from Tasmania

arrived at the Hotel Canberra and Australia's largest Prohibition experiment ended (National Archives of Australia 2013; Commonwealth of Australia 1925, 1031). The experience of the Federal Territory demonstrated how the Federation mediated the influence of ideas and actors that supported Prohibition. It was only the opportunity that the creation of the new Federal Territory provided, with the Commonwealth having policy responsibility in a new area with few existing residents that led to this local Prohibition. However, the small scale of the Territory and the easy access across the border to alcohol doomed the experiment to failure.

Possibly the most recognisable alcohol control policy of the early 20th century was six o'clock closing that was introduced during the First World War in four Australian States. South Australia moved first amidst strong temperance sentiment and patriotic fervour and this encouraged other States to do the same. Soon after this New South Wales, Victoria and Tasmania also had six o'clock closing (Room 2010, 155; Fitzgerald and Jordan 2009, 174). This was an example of policy transfer across the Australian Federation, although it was not introduced in all jurisdictions. Six o'clock closing was introduced in South Australia in 1915 and Victoria, NSW and Tasmania in 1916. South Australia, New South Wales and Tasmania introduced it after referendums, with the change achieving between 56% and 60% support (South Australian Government 2012, Tasmanian Parliamentary Library 2012, NSW Electoral Commission 2012). It was introduced in Victoria by legislation, a referendum was intended to be held but was not used (The Register 1916). Western Australia did not shift from its pre-existing closing time of 9pm and Queensland shifted to 8pm closing in 1923 through legislative change (Fitzgerald and Jordan 2009, 195; Lewis 1992, 62). The key arguments to justify early closing centred on efficiency and patriotism during the First World War and harmonisation of closing times with shops (Fitzgerald and Jordan 2009, 195; Dillon 1985, 137; Lewis 1992, 62). A precursor to early closing of hotels was the introduction of six o'clock closing of shops that had been implemented in all states (colonies) starting with WA in 1897 through to Tasmania in 1911 (Lewis 1992, 62). Six o'clock closing was perhaps the most far reaching and visible restriction on Australian alcohol availability, as well as the high point of temperance influence. The policy was designed to focus citizens on national sacrifice and also tapped into the moral perspectives of the temperance discourse. It was also a demonstration of the way that Australia's political institutions shaped a diversity of approaches within the Federation and how a policy initiative can have unintended consequences. Six o'clock closing was intended to be a temporary measure during World War One but lasted in most States until the second half of the century.

Six o'clock closing proved to be remarkably durable. In Tasmania it was removed by Parliament in 1937 after arguments were put forward that it was impossible to police and being deliberately avoided (Luckins 2007). Six o'clock closing was eventually removed in NSW in 1954 after a referendum and by Parliament in Victoria in 1966 and South Australia in 1967 (Room 2010, 156). Proposals to remove six o'clock closing failed at a number of referendums after World War Two (Lewis 1992, 76-7 and 81). In 1947 a referendum in NSW to shift opening hours to 10pm was defeated after a significant campaign by the temperance movement and there was over 60% support for the retention of six o'clock closing (higher support than the original referendum in 1916) (Dillon 1985, 148). In Victoria in 1956 a referendum reaffirmed six o'clock closing despite pressure to remove it in time for the Olympic Games (over 60% support for six o'clock closing) (Harden 2010, 56; Room 2010, 156). The 'six o'clock swill' remained well into the post war era for a number of Australians and hotels became crowded and unpleasant places. This was not the scene that the temperance movement and legislators had in mind when they introduced six o'clock closing (Harden 2010, 64-6). From the 1970s midnight became the standard closing time for hotels under liquor licensing acts around the country (Lewis 1992, 92). Sunday trading was also banned during the late 19th century in each of the colonies and each state gradually removed these restrictions from the 1960s (Queensland) through to the 1990s (South Australia) (Room 2010, 155; Dillon 1985, 181; Lewis 1992, 91-4). Hours and days of trade were a battleground during the 20th century and the source of significant public policy effort.

In 1900 Australian Aborigines were precluded from purchasing or consuming alcohol in every jurisdiction (Lewis 1992, 157). As the century progressed some were given the "beer ticket" or "dog tag", granted by State Governments to some Aborigines of mixed race or considered to be more European in their outlook. This created a dual system where some could drink but the majority were the subject of prohibition (Brady 2008; book 6, 3-6). From 1957 States began repealing Aboriginal prohibition and all had done so by 1972 (Brady 2008, book 6, 20; Fitzgerald and Jordan 2009, 212-22; Lewis 1992, 160). While the repeal was popular from a civil rights perspective, it was controversial among Aboriginal communities who feared that it would lead to an increase in drinking related problems (Lewis 1992, 161). Later in the 20th century locally based regulation was introduced that could allow Aboriginal communities to restrict or prohibit alcohol. State governments with high numbers of rural Aboriginal communities – South Australia, Western Australia and the NT – all passed

legislation to allow communities to be considered “dry” or have specific availability restrictions (Gray et al 2000, 15-6; Lewis 1992, 163). For example, Tennant Creek had specific restrictions imposed in the late 1990s by the Liquor Commission with the support of local Aboriginal residents. These restrictions included: hours/days of sale, number and types of drinks purchased, and where they could be consumed (Gray et al 2000, 15; Wright 1997).

The most common tool used to regulate availability was the liquor licensing system. Licensing was the subject of significant debate during the early 20th century and, like other areas of availability control, responsibility was at State level. By the 1950s liquor licensing around the nation had a fairly stable set of objectives: to control the number of licences, to restrict opening times, and to establish strict rules for licensees. From the 1950s there was a gradual shift away from restricting licensed establishments towards encouraging greater diversity (Craze and Norberry in Stockwell 1994, 41). This was consistent with a general move to provide greater access to alcohol than under the strict licensing regimes of the early 20th century (Stewart 1997, 394). Up until the 1980s it was common for state licensing acts to contain specific reference to the development of the industry, but this was increasingly replaced with objectives of reducing harm and abuse (Lewis 1992, 89). State licensing legislation at the end of the period still had remnants of their original intent from the early colonial days, specifically to protect public order (Craze and Norberry in Stockwell 1994). In the latter part of the 20th century most States conducted formal inquiries into their liquor licensing legislation, often to comply with the requirements of the National Competition Policy (NCP). These reviews often recommended deregulation by making licences easier to obtain and removing restrictions on them. For example, the Nieuwenhuysen review in Victoria in the late 1980s led to a shift from a highly restrictive licensing legislation in the nation to one that was far more liberal (Lewis 1992, 89; Harden 2010, 58).

Australian availability control measures were different by State. For example, six o’clock closing was not applied consistently with different dates of implementation and repeal, and some States did not introduce six o’clock closing at all. While the tools available in each State were similar, they used varying approaches. Referendums, Royal Commissions and other approaches used to influence policies all varied, reflecting the different issues related to alcohol in each State (Lewis 1992). In the late 20th century the NT, with its very high Aboriginal population, employed greater restrictions on availability. Whereas Victoria took a more deregulatory approach to availability controls (Craze and Norberry in Stockwell 1994,

47-52). Another example was the diverse approaches to MLDA in each State; with Victoria and NSW both having an MLDA of 18 from early in the 20th century, and other States only shifting from an MLDA of 21 (to 18) around 1970 (see **Appendix 2**). However, all states had an MLDA of 18 well before New Zealand eventually introduced it in 1999 (see chapter six). Issues like local option and prohibition perhaps highlight best the diversity in approaches to availability controls in the Australian States. Despite the diversity, it was difficult to discern any themes in regulation that could be attributed to a particular State throughout the period observed. It could be argued that Victoria tended to introduce stricter controls and acted most decisively throughout the period, South Australia tended to be the last to remove outdated controls, and NSW and Queensland tended to have lighter levels of regulation. **Appendix 2** provides a broad sweep of availability controls in the Australian States during the period and highlights the diversity of approaches throughout the period. Unlike taxation and availability controls in New Zealand (see chapter six), which demonstrated greater path dependence, availability controls in Australian states incorporated regular and incremental changes throughout the period.

Drink-driving countermeasures

In the 1960s and 1970s a new policy challenge emerged in Australia, drink-driving. The motor vehicle had become a more popular and affordable mode of transport for Australians. As this occurred drink-driving, and the deaths and injuries caused by it, became a high profile issue and governments came under pressure to respond. Countermeasures were considered as a road safety measure as much as an alcohol control measure. At the same time as availability controls were relaxed, strict drink-driving laws were brought into place in Australia (Homel 1990, 10-11; Room 2010, 158). Legislative activity to curb drink-driving began in the 1970s and continued into the 1980s (Fitzgerald and Jordan 2009, 199; Homel 1990).

Victoria took the lead in introducing drink-driving countermeasures. They introduced the breathalyser to assess blood alcohol concentration (BAC) in 1962, and soon after set 0.05% as the limit above which it was considered an offence (Room 2010, 158; Lewis 1992, 177). Each State initially adopted a different approach and there was variability in policies, publicity and enforcement (Henstridge et al 1997, 2-9). The two most identifiable measures were random breath testing (RBT) and the BAC. RBT was introduced in each state between

1976 and 1986, starting with Victoria and then ending with Queensland (Hawks 1993, 25; Henstridge et al 1997, 3; Room 2010, 158; Lewis 1992, 177; Homel 1990, 3; Dillon 1985, 209; Fitzgerald and Jordan 2009, 200; NDS 2001, 25). The approach to RBT varied. Some States used stationary and others mobile RBT, some had a regime of compulsory testing and others discretionary, and rates of testing per licensed driver varied significantly.

Unsurprisingly, the impacts of RBT therefore varied across States (Henstridge et al 1997).

By the late 1970s the BAC across Australia was .08, except for Victoria where was .05 (Fitzgerald and Jordan 2009, 199). In the early 1980s some States began to follow the lead of Victoria by adopting .05 (NSW, Queensland and Tasmania), while others continued with .08. However, all had fallen into line with Victoria's BAC of .05 by the 1990s as the evidence began to mount for the effectiveness of this measure (Lewis 1992, 177; Fitzgerald and Jordan 2009, 199; Henstridge et al 1997, 7). Policy initiatives were also introduced to deal with novice drivers by further restricting the amount of alcohol allowed in their system for the first year(s) of driving. A zero BAC was pioneered in Victoria for this group and then introduced in all other States and Territories (Homel 1990, 13; Lewis 1992, 177). Room argued that Victoria was a pioneer in the introduction of drink-driving countermeasures and that this had been influenced by the high number of traffic deaths in that state (Room 2010, 158). Homel also argued that Victoria was the one state that took a sustained and active policy interest in drink-driving countermeasures and led the way with a range of initiatives (Homel 1990, 3-4). Without the leadership of Victoria and the observation and learning from the other States, it is difficult to see how Australian drink-driving countermeasures would have ended up as some of the most stringent in the world. In Chapter Five it will be argued that the Victorian political culture supported greater levels of intervention than in the other states of the Australian Federation.

A consistent finding was that Australian drink-driving countermeasures were a success and the RBT and BAC of .05 dramatically reduced drink-driving deaths. Other measures were not as effective as these two in reducing alcohol related road fatalities (Homel 1990, 2; Loxley et al 2005, 562). In the 20 years from 1974 to 1994 road crash deaths reduced by two thirds, and drink-driving countermeasures were considered to be one of the key reasons for this (Hall et al 2010, 464). In 1981 alcohol was a factor in around 44% of all road fatalities, but by 1996 this had dropped to 29% (MCDS 2006, 18). Homel argued that a key reason was the extensive publicity of RBT and the strict enforcement of the .05 BAC (Homel 1990). Australia's approach to drink-driving countermeasures was considered a success story. The

low BAC, RBT, high certainty of punishment, and tough penalties led to a system unparalleled anywhere except Scandinavia (Homel 1990, 14).

Treatment

A policy area that became more important from the middle of the 20th century was treatment for alcohol related problems. In the early 20th century, people with alcohol problems were still placed in institutions and dealt with by the psychiatric or criminal justice system (Lewis 1992, 107-18). This placed alcoholics into horrendous conditions and was not an ideal environment for recovery. By the late 1950s the psychiatric system was viewed as a failure in dealing with alcohol related problems (Lewis 1992, 121-6). Enthusiasm for state involvement in treatment and the creation of special treatment facilities for alcoholics grew during the 1960s (Fitzgerald and Jordan 2009, 210; Lewis 1992, 118). From this time an alcohol treatment system involving State Governments and the non-government sector emerged (Room 2010, 157). The first treatment foundation was established in NSW in 1957 and this was followed by the establishment of similar foundations in Victoria (1959) and South Australia (1963) (Lewis 1992, 133). Based on similar facilities in the United Kingdom and United States, residential rehabilitation clinics were established from 1959 (Fitzgerald and Jordan 2009, 211). These facilities operated outside the psychiatric system and their form varied by State, often depending on the resources and commitment of State Governments (Lewis 1992, 139). Treatment was funded by State Governments and delivered through church organisations like the Salvation Army, St Vincent de Paul and Methodist missions (Lewis 1992, 139).

Treatment for alcohol related problems started to take hold in Australia when Alcoholics Anonymous (AA) was established. AA started around the end of the Second World War, and by the 1950s there were offices in all major cities (Lewis 1992, 128-9). AA included a 12 step program and the approach was very influential in alcohol treatment circles (Fitzgerald and Jordan 2009, 212-4). AA became an important part of the alcohol treatment system in the 1950s and was supported by the state as it cost the government nothing (Lewis 1992, 129-30). AA remained important throughout the period, although state funded services also existed as alternative or complementary options.

State government funding of treatment services increased later in the period. The 1960s saw an increased level of resources provided by State Governments to alcohol treatment services (Fitzgerald and Jordan 2009, 210). During the 1970s, residential rehabilitation centres were established, with the Anglican church run Buttery service in NSW one of the first (Fitzgerald and Jordan 2009, 211). By the 1980s, all States had a specific arm of their bureaucracy devoted to the direct delivery and funding of alcohol treatment services (Lewis 1992, 140-2 and 182). It was a relatively rapid shift for State Governments to become involved with treatment, and led to the establishment of a significant treatment “policy community”. Alcohol treatment services became an integral part of the policy approach to alcohol and the wider National Drug Strategy (Loxley et al 2005, 565).

Advertising controls

Regulating alcohol advertising became an issue later in the 20th century due to strong growth in the media and advertising industries, and higher levels of spending by the industry on advertising. Alcohol advertising became the subject of a self-regulatory code in 1976 which was overseen by the Alcoholic Beverages Advertising Council from 1979 (Lewis 1992, 178). This established a pattern of self-regulation that was developed and policed by the industry, rather than government (Loxley et al 2005, 563; Fitzgerald and Jordan 2009, 263). This model was similar to the United Kingdom and was supported by the industry (Jones et al 2008, 29-30). In the 1990s, a new Alcoholic Beverages Advertising Code was created with its own adjudication panel, funded by the four major alcohol beverage industry associations who managed and operated the Code (Jones and Donovan 2002, 156; NDS 2001, 34).

Alcohol advertising controls included a number of considerations in addition to electronic and print advertising. Sports sponsorship had become a tool for domestic and global brands to link themselves with successful Australian sports, teams and individuals. Sponsorship of sport by alcohol companies was allowed throughout, although there were calls for it to be restricted or banned in the same way as for tobacco companies (Fitzgerald and Jordan 2009, 264). Another part of advertising controls was warning labels and standard drink labelling. Compulsory warning labels were implemented in some countries and in Australia were required for tobacco. However, Australian alcohol products were not required to display them. From 1995 the industry was required to display standard drink labelling on all packaged alcohol products (NDS 2001, 32). The (self) regulation of alcohol advertising was

criticised and inquiries found the approach wanting. For example, a committee of the Ministerial Council on Drug Strategy found the self-regulation of advertising to lack transparency and not address public health concerns (Loxley et al 2005, 563).

National Alcohol Policy

For much of the period, Australian governments did not have any formal policy to alcohol other than that expressed in licensing and taxation legislation. The national alcohol policy was the first time that Commonwealth and State Governments worked together on alcohol control policy issues. Until 1980 no Commonwealth Government had made any formal policy statement on alcohol, as it was a State responsibility (Lewis 1992, 180). The origin of a national alcohol policy in Australia was a speech by Prime Minister Bob Hawke during the 1984 Federal election campaign (Hawks 1993, 19). Hawke announced that, if elected, he would work with State Governments to implement a National Campaign against Drug Abuse (NCADA) (Lewis 1992, 183). Prior to this, the 1980 Royal Commission into Drugs had stimulated the interest of the Commonwealth Government in the new public health issue of illicit drugs (Parliament of Australia 2012). The focus of NCADA was illicit drugs, but it eventually included tobacco and alcohol. The Hawke Government held a Drug Summit after the 1984 Election and the NCADA emerged from this. It was later renamed the National Drug Strategy and was overseen by a federal/state Ministerial Council on Drug Strategy (Webster et al in Moore and Dietze 2008, 3; Mathews and Grewal 1997, 654).

Work commenced on a national alcohol policy soon after the announcement of NCADA. The policy was coordinated through the Ministerial Council on Drug Strategy, which included the Commonwealth and States. The first draft was presented to the Ministerial Council in 1986 (Hawks 1993, 21). One of the more contentious draft recommendations was to change the alcohol excise and move to a flat excise based on alcohol content. The Government of South Australia – the major wine producing state – had the draft referred to a Ministerial Committee (which it chaired) for further consideration (Hawks 1993, 22). The South Australian Health Minister played an active role as the Chair and claimed credit for having this and a number of proposals removed (Hawks 1993, 23; Stewart 1997, 394; Lewis 1992, 187). By the time the policy was approved and adopted in 1989, it had been watered down substantially (Hawks 1993, 23; Stewart 1997, 394; Lewis 1992, 187-8). The policy was reviewed a number of times. In addition, all State and Territory Governments developed

their own broad policy statements regarding the harms caused by alcohol and other drugs (MCDS 2006, 8; NDS 2001, 18). It was claimed that the first national alcohol policy (the National Alcohol Strategy) was influential in driving Commonwealth and State/Territory initiatives to reduce alcohol related harm (NDS 2001, 18-9).

The National Alcohol Strategy (NAS) set out a number of aims on alcohol control policy. The strategy in place at the end of the period (2006-2009) claimed to be a “plan for action” involving government, non-government organisations and industry. The document incorporated research, consultation, and broadly reflected the National Drug Strategy. The strategy had four aims to: reduce intoxication, enhance public safety, improve health outcomes, and create safer and healthier drinking cultures (MCDS 2006, 2). It identified intoxication as the priority area for attention, even though alcoholism was often identified as the major problem (MCDS 2006, 6). The NAS did not have a significant impact on other policy initiatives. Instead, it reflected the general direction of Commonwealth and State policy and had no formal mechanism to achieve policy change. The NAS was influenced by the public health discourse with its focus on reducing supply and demand at the population, rather than individual, level (Webster et al in Moore and Dietze 2008, 4). The development of the NCADA saw drug policies move to a harm minimisation approach, and alcohol began to be viewed in similar terms (NDS 2001, 18). Stockwell argued that the NAS impacted on state liquor licensing legislation by encouraging the development of harm minimisation objectives (Craze and Norberry in Stockwell 1994, 52). This may be the case, but new objectives did little to change availability or other measures in Australian States.

4.5 Conclusion

English traditions were transported to the Australian colonies. In the late 18th century, alcohol control in England was dominated by the reduction of public drunkenness and spirits consumption. These laws formed the backbone of 19th century alcohol control policies and were still evident at Federation. Australian alcohol control policies between 1900 and 2010 can broadly be divided into three periods. The first – from Federation to about 1930 – was notable for tight availability controls being continued (local option), introduced (six o’clock closing), and considered (prohibition). The second – from 1930 to 1979 – saw the slow and gradual retreat of tight availability controls and the introduction of new policy tools. The

third – from 1979 to 2010 – saw increased Commonwealth involvement and a further shift towards new tools and the redirection of an old one (taxation) to new purposes.

During the period studied, there was a gradual shift from a simple policy environment to a more complex and blurry one. At Federation, the only policy controls were taxation and availability controls. Excise was collected by the Commonwealth as defined in the Constitution, and the residual responsibility for availability was left to the States. The framers of the Constitution could not have foreseen the new areas of policy that developed such as drink-driving countermeasures and alcohol treatment. The institutions of policy making were not designed with these in mind and needed to find ways to accommodate them.

Availability controls went from an area of conflict to relatively benign. Dramatic changes were debated and some were introduced during the late 19th and early 20th centuries. But after World War Two a plethora of new policy approaches were the focus, including: drink-driving countermeasures, treatment, advertising controls, and national alcohol policies. The bitter debates over availability controls that had characterised the early period reduced significantly and the policy environment expanded. There was not always consistency in the movement of regulation. As new regulations were being introduced, others were being freed up. Governments also had difficulty in breaking down policies that had unintended consequences. There was no better example than six o'clock closing. The "six o'clock swill" became a defining element of 20th century Australia and after World War Two had limited support, but breaking it down proved difficult. Tasmania removed it in 1937, but other States took much longer and put the issue to a referendum. When they did, the "no" forces marshalled themselves and two referendums were defeated in Victoria and NSW. It was only changed in NSW, Victoria and South Australia following Royal Commissions that confirmed the appalling drinking conditions it had helped to create. This demonstrated how difficult policy change was, even when the original justification no longer existed and there were unintended consequences.

There was remarkable consistency in alcohol taxation throughout the period studied. At Federation spirits were the highest taxed, followed by beer, and there was no excise on wine. In 2010 the highest excise was on spirits, followed by beer, and still no excise on wine (a value tax only). There was a gradual shift from alcohol excise being used as a revenue raiser towards a public health policy and method of industry protection. At Federation, alcohol

excise was a significant contributor to Commonwealth revenue and remained so until World War Two. As it became less of a revenue priority, excise was used for other purposes. This started in the 1970s when the excise on brandy was reduced to benefit the wine grape growing sector and continued in 2000 when excise for draught beer was reduced to benefit the on-premise hotel sector. The use of excise for public health also started when the Hawke Government introduced a lower rate of excise for light beer in 1984. This continued with the Rudd Government's "alcopops tax".

There were variations in the approach and timing of alcohol controls across States, with each jurisdiction having a different approach throughout. Some State Governments took a particular perspective on alcohol control issues: Victoria took the lead on drink-driving countermeasures, South Australia provided support for the local wine industry, and the Northern Territory introduced the LWA. There was increasing Commonwealth participation in alcohol policy from the 1970s. The Constitution provided responsibility for excise to the Commonwealth and all other alcohol policy responsibilities to the States. This arrangement remained in place for most of the 20th century where the only Commonwealth policy interest related to revenue received from excise. However, the Commonwealth played an increasing role facilitated by its fiscal dominance. At the end of the period, the Commonwealth was a major part of the alcohol control policy environment.

Australian alcohol control during the period studied displayed much continuity from the approach in the 19th century, with a number of gradual changes to old policy tools and the emergence of new policy tools. Availability controls remained important and were tight for much of the early and middle of the 20th century. However, from the middle of the century, new policy tools were developed and old policy tools were used for different purposes. This pointed to a particular alcohol control policy development path that incorporated regular but gradual changes in response to new challenges and the perceived failings of the existing system. However, change was not simple and many alcohol control policies remained well after they were viewed as necessary or effective.

The evolution of Australian alcohol control policies during the period demonstrated how institutions have an impact. One particular institution where an impact can be seen is the Australian division of powers. This was consistent with the findings from other HI studies outlined in Chapter Two where the division of powers was identified as a powerful mediating

force for policy. HI scholars such as Pierson (and earlier studies from Lowi) also identified the potential for policy legacies to be powerful institutions. This chapter demonstrated that policy legacies, especially from the oldest and established policy areas of taxation and availability controls, had a strong mediating effect on the evolution of policy initiatives. The next chapter will explore in greater depth the development and effects of political institutions and policy legacies in Australia during the period.

Chapter 5 Explaining the trajectory of alcohol policy in Australia

5.1 Introduction

Australian alcohol control policies were hotly debated for much of the 20th century. Compared to the relatively benign environment of 2010, for much of the preceding period alcohol was a significant public policy issue. It was characterised by conflict between a temperance movement that viewed as alcohol as a sinful product that must be removed from society, and an industry with much to lose. The common perception was that governments attempted to mediate between these polarised actors. However, there has rarely been analysis of the role that institutions played in shaping the debates and alcohol control policies, or in shaping the influence of policy actors and ideas. Chapter Two argued that the HI approach provides an analytical framework for comparing national policy development paths to identify how institutions (including policy legacies) shaped the influence of actors, ideas and therefore the resulting policies. Australian alcohol control policies from 1900 to 2010 followed a particular path as outlined in Chapter Four. This chapter will track the factors that had the potential to shape and influence Australian alcohol control policies. This will start with the key Australian institutions such as: federalism, the Constitution, the judiciary and federal/state financial relations – as well as exploring how policy legacies shaped alcohol controls. This chapter will also assess the influence of ideas around alcohol control and social and economic conditions. This will include temperance ideas through to public health, as well as major events such as the two world wars. The key actors involved in alcohol control will be assessed, including the titans of the early period – temperance movement and the industry – through to the more diverse range of actors in the modern era.

There were a number of global ideas about alcohol and alcohol controls (as outlined in Chapter Three) that influenced the discourse during the period, as well as wider ideas about society and the economy. Ideas helped to define the issues with regard to alcohol and each had a set of preferred policy prescriptions to respond to alcohol problems. Temperance ideas had wide acceptance in Australia in 1900. Temperance viewed alcohol as an evil product and was closely linked with non-conformist Protestant thinking. When these ideas combined with national emergencies, such as participation in wars, they had the capacity for greater influence on alcohol control policies. Yet when the Depression of the 1930s hit, temperance

began a steady decline. From the 1950s, ideas came to the fore that viewed society as divided into a small group of “diseased” people prone to alcoholism and the “normal” majority. Alcohol controls were therefore best targeted at supporting the diseased minority and letting the majority enjoy less restricted access. From later in the 20th century public health ideas based on research findings that population level consumption had a direct bearing on individual drinking, gained momentum in the Australian alcohol discourse. They advocated tighter alcohol controls and were in conflict with broader neo-liberal ideas that promoted individual freedom and reduced regulation. This chapter will trace ideas about alcohol in Australia and explore the impact they had on debates and alcohol control policies. This will allow a later analysis of the role that ideas played in influencing alcohol control policies in Australia and New Zealand.

The key policy actors were a limited group early in the period. However, they had passionate determination to the cause. Perhaps Australia has not seen since a more determined set of policy actors as the temperance movement and the industry in the early 20th century. On one side was religious and moral fervour of middle class non-conformist Protestants with a polarised concept of good and evil. On the other was fear and self-interest of publicans that were fighting to retain their livelihoods and protect their investments. It would be hard to imagine two actor groups with such diverging views on a matter of public policy. Yet as the 20th century progressed, these two groups became allies from time to time. When proposals were brought forward to make alcohol more available, the temperance movement and the industry stood shoulder to shoulder to oppose the changes. This demonstrated how policy legacies could drive actor behaviour. As the range of policy tools expanded, so did the range of policy actors. But there was never again a return to the marches, petitions and the like of the early 20th century. The medical profession, non-government organisations, drug and alcohol workers, and researchers all became more influential because of the expanding range of policies and the growth in public health and harm minimisation ideas. They took on the role of anti-industry actors as the temperance movement declined in relevance. This chapter will track the development of key actors in alcohol control policy debates and focus particularly on the way that they were structured and the goals and strategies they identified. The chapter will particularly focus on the temperance movement and the industry.

Australian political and policy institutions were unique and shaped how ideas, conditions and actors engaged with alcohol control policies. A number of Australia’s political institutions

were changed in 1901 when the former British colonies came together in a new federation. The arrangements were formalised in a written Constitution that could be amended by referendum and interpreted by the High Court. The Constitution defined the division of powers between the States and Commonwealth. Alcohol taxation was an important source of revenue for the new Commonwealth, whereas availability remained a responsibility of the States (as outlined in Chapter Four these were the major controls for much of the period). Another institutional feature was that the Commonwealth and States had bi-cameral Parliaments. The political institutions resulted in highly dispersed power between branches and levels of government, with many checks and vetoes. Other institutions prior to Federation also remained, including the capacity to use Royal Commissions and referenda – features that were used extensively in the 19th century and much of the 20th century. Changes during the period gave the Commonwealth increased revenue to involve themselves in areas of State responsibility. The Federation was an important shaping institution for alcohol controls and one of the most significant results was that each State had different availability controls. This chapter will track the development of key political institutions and identify the ways that they shaped control policy, including those related to the federal system established in 1901 and changes that occurred during the period. Policy legacies will also be explored in this chapter, although their impact will be more fully assessed in Chapter Eight.

5.2 Pre 1900

During the 19th century temperance ideas became important and shaped the alcohol control debate. Until the 19th century, total abstinence from alcohol was not a common demand in Britain, Europe or North America (Fitzgerald and Jordan 2009, 146). From the 1830s, temperance ideas drew heavily from the moral reforms of the Methodist and Evangelical revivals in England and had a particular significance for frontier societies like colonial Australia (Lewis 1992, 13). By the second half of the 19th century, many colonial Australians viewed alcohol as an evil product that created social problems and viewed alcoholics as victims rather than free agents (Fitzgerald and Jordan 2009, 202). Towards the end of the century, temperance ideas began to be influenced by eugenics, whereby certain types of people (generally the lower classes and natives) were viewed as susceptible to alcoholism and that alcohol was more than a threat to social order, but to the health of the human race (Fitzgerald and Jordan 2009, 202-4).

A key alcohol control policy actor group in the 19th century were the various temperance societies. Temperance organisations established in the Australian colonies in the 1830s. Some were anti-spirits, while others were committed to total abstinence (Fitzgerald and Jordan 2009, 146). They used strategies of mutual help, persuasion and asking people to sign abstinence pledges (Room 2010, 154). The first group was established in Hobart in 1832, closely followed by the NSW Temperance Society in 1832 and the Port Phillip Temperance society in 1838 (Powell 1988, 47; Dillon 1985, 12 and 58). The first total abstinence society was established in Sydney in 1838 and Adelaide in 1839 (Lewis 1992, 50; Dillon 1985, 12). The Independent Order of Rechabites – a total abstinence society from England – established in Sydney in 1842; followed by Hobart, Launceston and Melbourne in 1847 (Lewis 1992, 50; Dillon 1985, 62). In 1849 the first temperance society was established in Queensland, the Moreton Bay Temperance Society (Dillon 1985, 104). A focus of the various societies was on educating the public about the extent of the drink problem (Lewis 1992, 52). Another society from the United States, the Sons of Temperance, established branches in 1864 and by 1871 had 200 branches in NSW and over 16,000 members (Fitzgerald and Jordan 2009, 147; Lewis 1992, 50; Powell 1988, 47). The Independent Order of Good Templars established in 1869 and had 11,000 members in Victoria by 1875 (Lewis 1992, 50; Powell 1988, 47). From the 1870s the movement focused on political action, often under the banner of local option, which provided a common vision for the various groups (Dillon 1985, 102; Room 2010, 154; Fitzgerald and Jordan 2009, 159).

The move to form broadly based temperance alliances began in Tasmania in 1856. From the late 1860s the major colonies also formed alliances that incorporated the temperance societies in each colony. In 1866, the NSW Political Association for the Suppression of Intemperance was established, with the aim to introduce local option and ultimately complete prohibition. In 1867 the Victorian Alliance for the Better Regulation of the Liquor Traffic was established to agitate for changes to licensing laws. This was replaced in 1873 by the Permissive Bill Association, and then in 1882 by the Victorian Temperance Alliance – which was formed after an international temperance convention in Melbourne in 1880 (Lewis 1992, 55; Dillon 1985, 101). The NSW Temperance Alliance started in 1882, initially known as the Local Option League it became the Temperance Alliance in 1898 (Dillon 1985, 121). South Australia started its Temperance Alliance in 1884 incorporating all of the temperance

societies; like in other colonies each member retained their own identity and membership (Dillon 1985, 102).

The 19th century temperance movement changed with the arrival of the Women's Christian Temperance Union (WCTU). The WCTU started in the United States in 1874 to rescue individuals from drink and agitate for the abolition of the liquor trade. The first branch was established in Sydney in 1882, and by 1888 had covered all of the Australian colonies (Lewis 1992, 50; Powell 1988, 47; Dillon 1985, 69; Hyslop 1977, 43). The WCTU had a significant impact beyond liquor and also led the charge for women's rights and universal suffrage. The WCTU saw women become more active in the political scene; prior to the WCTU it was very rare to see a woman address a crowd (Fitzgerald and Jordan 2009, 162-3). The WCTU influenced the entire temperance movement, as demonstrated when a resolution was passed for adult suffrage in the new constitution at the Intercolonial Temperance Convention in Hobart in 1895 (Hyslop 1977, 46; Fitzgerald and Jordan 2009, 165). Hyslop argued that the effective work of the WCTU in the political domain to lobby for further regulation of liquor was weakened by the aim of suffrage (Hyslop 1977, 54). The WCTU had a significant impact on the number of citizens "taking the pledge" to stay free from alcohol. The 1880s was a golden era for pledges, the NSW Alliance produced 24,000 in the 6 years to 1888. By the 1890s, temperance organisations in the Australian colonies reportedly had around 70,000 members (Fitzgerald and Jordan 2009, 145).

The Australian temperance movement was heavily based in the non-conformist Protestant churches. The earliest temperance leaders were Quakers, although the Methodist and Presbyterian churches developed a strong anti-alcohol position (Fitzgerald and Jordan 2009, 150-1). The Protestant churches were initially wary about providing support for the temperance movement, but by the 1880s temperance ideals had become firmly entrenched (Lewis 1992, 51; Hyslop 1977, 49). The movement incorporated Methodists, Presbyterians, Congregationalists, and Baptists – but not the Catholic or Anglican churches (Room 2010, 153; Hyslop 1977, 47). The members of the movement were largely married, aged 30 to 50, middle class, and Protestant and non-conformist (Fitzgerald and Jordan 2009, 151; Powell 1988, 47; Hyslop 1977, 47).

The temperance movement developed political and policy aims. In the 1870s, securing local option became a major political objective (Fitzgerald and Jordan 2009, 155-6; Lewis 1992,

56). The NSW Local Option League had by 1885 around 50,000 signatures supporting complete local option. The League advocated no compensation for hotels forced to close, but by 1896 had softened its stance, demonstrating an increasing pragmatism (Lewis 1992, 56). Reducing the supply of alcohol, the introduction of the Gothenburg System, or even complete prohibition were also political aims. Given the links with Protestant churches, it was also a major aim for Sunday closing of hotels (Lewis 1992, 55). In the 1890s the temperance movement began agitating for the introduction of 6pm closing (to bring them into line with the hours of shops) and the introduction of the Gothenburg System by having all liquor outlets owned and operated by the state (Fitzgerald and Jordan 2009, 158). While securing local option was a major emphasis, complete prohibition was the ultimate political aim of many in the movement (Room 2010, 154). The movement used a range of strategies to influence the political debate. Petitions were regularly employed to agitate for change and often contained tens of thousands of signatures supporting causes such as local option (Fitzgerald and Jordan 2009, 160; Lewis 1992, 52-6). Temperance groups sent deputations to see ministers and parliamentarians to push their cause and sought to encourage and endorse candidates to run for public office (Hyslop 1977, 44; Lewis 1992, 57). In the late 19th century the NSW Temperance Alliance had members of parliament on its state council and executive, and had built a very close relationship with “friendly” parliamentarians (Dillon 1985, 134-5).

The other significant actor group during the 19th century was the liquor industry. The major representative association was the Licensed Victuallers Association (LVA), which was nearly as old as the first temperance societies having been established in Hobart in 1839. The LVA then established in Melbourne in 1850, Launceston in 1856, South Australia in 1871, New South Wales in 1873, Queensland in 1885 and Western Australia in 1898 (AHA 2012). There were often less formal groups acting on behalf of the industry before they formed a branch of the LVA. In some states (South Australia, NSW, Victoria) the LVA was a united body in each colony, while in others (Queensland, Tasmania) it had localised autonomy and did not formally unite as a colony/state-wide entity until the 20th century (AHA 2012). From the very first inquiries and commissions into alcohol, the industry was represented. In 1854 at the NSW Select Committee into intemperance, the industry presented evidence about there being too many public houses (Lewis 1992, 52). While often violently opposing the temperance movement, Lewis argued that the industry and the temperance movement would sometimes work together in an “unholy alliance” to oppose new licences (Lewis 1992, 56).

5.3 Influence of Institutions

Chapter Two identified the important role that institutions play in setting the rules of the game with regard to public policy. While actors, ideas and social and economic conditions are all important factors, their influence is mediated by domestic political institutions and policy legacies. Because each country has different formal political institutions and a unique historical context of policy making in any particular area, historical institutionalists argue that similar actors, ideas and conditions across countries may have very different influences. The key Australian institutions for alcohol control will now be identified, described and assessed.

Federalism and the Constitution

A key institution in Australia was federalism and this impacted on alcohol policy as responsibility was shared between Commonwealth and State Governments. At Federation in 1901, responsibility for alcohol control policy sat largely with the States as availability controls were the key policy. Since Federation, the Commonwealth and States were involved in a process of adjustment as the Commonwealth used its growing fiscal dominance to involve itself in areas of state responsibility.

The powers of the two levels of government were laid out in the Australian Constitution. The Constitution was highly resilient to change; the formal method for constitutional amendment was through referendum, whereby both a majority of Australian voters and a majority of States must support the amendment for it to occur. There were only 8 successful amendments to the Australian Constitution from a total of 44 referendums since 1901 (Australian Electoral Commission 2012). Instead, changes in the Australian federal system and the division of powers were driven by High Court interpretation and the growing capacity for the Commonwealth to use its fiscal capacity to involve itself in areas of formal state responsibility. The Constitution set out the division of powers between the Commonwealth and the States, as well as the separation of powers between the arms of government, and the electoral system (Commonwealth of Australia 1995). Apart from responsibility for excise, alcohol control powers were not given to the Commonwealth (Commonwealth of Australia 1995). It was therefore expected that the State Governments would have primary carriage of

alcohol control policy. At Federation, the only alcohol policies were excise and availability. Other policy tools – such as treatment, advertising controls, and drink-driving countermeasures – were introduced after Federation. A key change for the States upon federating was that they gave up their major tax base of customs and excise (Smith 2004, 45).

The capacity to levy customs and excise was a Commonwealth power in the Constitution. Prior to Federation, customs and excise was the major part of the colonial tax base but the States gave it up to provide the Commonwealth Government with sufficient revenue to meet its responsibilities (Smith 2004, 45-7). Section 90 of the Constitution gave the Commonwealth the power to impose excise (Webb 2006, 8). In the first ten years after Federation, customs and excise was the sole source of Commonwealth taxation and by 1938-9 still represented 63% of receipts (James 1996, 2; Mathews and Jay 1972, 152). In the early years after Federation there was a need for the Commonwealth to return revenue to the States as customs and excise was more than enough to cover their responsibilities. World War One was when the first significant shift occurred when Commonwealth spending on the war effort increased to almost 20% of GDP, and the income from customs duties collapsed due to reduced trade (Smith 2004, 51). Funding the war effort resulted in the Commonwealth moving into direct taxation with a new national income and company tax (Smith 2004, 52-4; James 1996, 2). In the interwar period, the Commonwealth also introduced a Wholesale Sales Tax in order to meet their Budget shortfall caused by the impact of the Great Depression (Reinhardt and Steel 2006, 20). Prior to World War Two both the States and the Commonwealth levied an income tax (Reinhardt and Steel 2006, 13).

Yet again the needs of the war effort during World War Two resulted in the Commonwealth expanding its tax base by introducing a uniform national income tax to increase their revenue. The States were reimbursed through grants if they ceased to levy their own income taxes (Smith 2004, 74-9; Reinhardt and Steel 2006, 8). This changed Commonwealth/State financial relations forever and established a system prone to vertical fiscal imbalance, a challenge to a healthy Federation. From that time (1942), the States took a subordinate role in the fiscal affairs of the Federation with a more limited tax base (Mathews and Jay 1972, 2; Smith 2004, 79). The impact was swift, within five years the share of Commonwealth receipts from customs and excise dropped to just 27% (Mathews and Jay 1972, 194; Smith 2004, 77). The Commonwealth takeover of income tax meant that the Commonwealth collected more revenue than it needed or had the power to apply, and the States had a

significant shortfall compared to their policy responsibilities (Mathews and Grewal 1997, xviii). The exclusion of States from broad and progressive taxes resulted in a reliance on inefficient and regressive taxes that provided them with little scope to be self-reliant (Mathews and Grewal 1997, 267). Following this period of gradually changing Commonwealth/State financial relations, the biggest shift was the introduction of the New Tax System, incorporating a Goods and Services Tax (GST), in 2000. The GST replaced a range of taxes and, although administered by the Commonwealth, revenue was directed to the States (Reinhardt and Steel 2006, 21). The steady decline of the importance of excise as a Commonwealth revenue source also continued, by the early 21st century excise represented less than 10% of receipts (Webb 2006, 4). The fiscal dominance of the Commonwealth after World War Two enabled it to move into policy areas that were constitutionally the responsibility of the States, including alcohol control (Mathews and Grewal 1997, 767). The general pattern of fiscal federalism was one of growing Commonwealth dominance due to their share of the broad and progressive tax base that was established because of the need to raise funds to fight wars. This was not without conflict, but the High Court interpreted the Constitution in ways that supported this Commonwealth expansion.

High Court

The High Court was responsible for matters of Constitutional interpretation. A number of their most significant decisions related to the customs and excise power. The High Court interpreted the Constitution in ways that had significant impacts on the Federation (Mathews and Grewal 1997, 76 and 509). It took a broad definition of an excise that supported Commonwealth fiscal dominance and “locked out” the States from applying taxes on commodities, like alcohol (James 1996, 2; Mathews and Grewal 1997, 76). This was in contrast to other federations, such as the United States, where State governments relied heavily on: sales taxes, excises, and income taxes. In Australia, interpretation by the High Court ensured that these remained the sole domain of the Commonwealth (Mathews and Jay 1972, 2). The High Court defined any tax on production, distribution or sale of a good as an excise and therefore constitutionally only able to be applied by the Commonwealth (Mathews and Grewal 1997, 76).

In the 1930s and 1940s a number of High Court decisions confirmed that any tax on a commodity, at any point in the supply chain, was an excise (Mathews and Jay 1972, 123 and

161; James 1996, 2). One of the most important decisions was in the 1942 *Uniform Tax Case*. The Commonwealth's introduction of a uniform income tax was challenged by four states. However, their challenge failed and the Court confirmed the capacity of the Commonwealth to take such actions in both peace time and war (Mathews and Jay 1972, 173). This had a direct impact on Commonwealth/State financial relations and was the beginning of the significant vertical fiscal imbalance. Another important decision had an impact on the capacity of State Governments to tax alcohol. The 1997 *Ha Case* was a dispute about business franchise licences fees for tobacco in NSW but the decision had the effect of invalidating any similar fees or levies paid on goods that were the subject of an excise (Ryder 2008, 377; Smith 2004, 150). As noted previously, this decision made the Northern Territory Government's LWA levy on alcoholic beverages invalid and forced them to cease its application.

Commonwealth Government Involvement

The Australian Federation had no joint Commonwealth/State activity on alcohol until institutions were created in the late 20th century. In the early 1980s a National Standing Committee on Alcohol was created for Commonwealth/State discussions and agreement on alcohol related health and control issues (Hawks 1993, 20). Whereas once the annual Premiers' Conference was the only mechanism for Commonwealth/State discussions on fiscal or policy issues, a plethora of Committees, Councils, and Working Groups were created. In alcohol control, the primary mechanism for joint discussion was the Ministerial Council on Drug Strategy. This was where the first national alcohol policy was considered, debated and agreed (Hawks 1993, 21-4). Most of these mechanisms were created through the initiative of the Commonwealth Government.

The Commonwealth Government had, until the 1980s, virtually no role in alcohol control policies outside of their responsibility for customs and excise (perhaps with the exception of their direct control over places like the ACT). The Commonwealth started an active interest indirectly, when illicit drugs became a subject of interest after a Royal Commission in 1977-1980. Lewis argued that the Commonwealth was reticent to intervene in alcohol control policy, a domain of the States since Federation (Lewis 1992, 187). However, the illicit drugs issue and the need for an appropriate policy response was overriding, despite the Constitution providing the power to the States. A driver for Commonwealth involvement in illicit drugs,

and subsequently alcohol, was the interest of Prime Minister Bob Hawke (Hawks 1993, 19-20). Hawke, whose family had been personally affected by illicit drugs, took this issue to the 1984 Federal Election. As noted in Chapter Four, this led to the creation of the NCADA in 1985, which was negotiated and launched by the Hawke Government and State Premiers (Ryder 2008, 376; Stewart 1997, 392). The NCADA paved the way for Commonwealth involvement in alcohol and tobacco, and the development of the National Alcohol Strategy (MCDS 2006, 2).

An initiative of the Commonwealth Government that impacted on alcohol control was the National Competition Policy (NCP). The NCP was introduced by the Keating Government, and was an example of the Commonwealth using its fiscal power to achieve microeconomic reform (Mathews and Grewal 1997, 728-9). It was signed by all State Governments and the Commonwealth in 1995 and enforced by the National Competition Council. A major objective was to repeal restrictions in state legislation that were stifling competition. This impacted on alcohol control as all state liquor licensing acts were the subject of review and a requirement to remove restrictions that could not be justified (Loxley et al 2005, 561). The NCP included payments to the States if they complied with the requirement for independent reviews (and adhered to the recommendations), and for payments to be withheld if restrictions were not removed. The NCP was a continuation of the shifting balance of economic power from the States to the Commonwealth (Mathews and Grewal 1997, 729). Each State reviewed its liquor legislation and led to some changes, with the interpretation of public interest a challenge for States trying to restrict availability using liquor licensing (Loxley et al 2005, 561; Mathews and Grewal 1997, 729). Each State and Territory reviewed their liquor legislation between 1996 and 2003, with independent Review Groups established to undertake the review and provide recommendations (National Competition Council 2015). Each review of liquor legislation made recommendations to reduce the restrictions on alcohol availability controls, although they supported the retention of some controls in the public interest (National Competition Council 2015). A number of States had payments withheld because of the failure to reform their regulations in line with the recommendations of the reviews (Foundation for Alcohol Research and Education 2014). The NCP was portrayed as a significant influence on alcohol control; however the changes made as a result of NCP were more reflective of a longer run trend towards lower levels of availability controls and removal of conditions that were “barriers to entry”.

State Governments

State Governments were important through their formal and ongoing responsibility for many elements of alcohol control. In addition, some State Governments (such as South Australia) had strong commitments to the industry as a way of growing their economies (Lewis 1992, 41). Wine grape production and grape growing after World War Two (especially in Victoria and South Australia) was encouraged to repatriate servicemen and assist in post war reconstruction and industry development. Perhaps no state took on the role of advocate and supporter of the wine industry like South Australia (Lewis 1992, 45-6). As noted previously, in the development of the first national alcohol policy the South Australian Government was so concerned that they embarked on a strategy to slow down its development and water down elements that may disadvantage their wine industry (Lewis 1992, 187-8; Hawks 1993, 22). Some states embarked on particular strategies to address alcohol abuse. The Northern Territory took an active role in managing aboriginal alcohol issues, as demonstrated by the LWA program and levy (Chikritzhs et al 2005, 1625-6). Each State had authorities and arms of the bureaucracy with responsibility for alcohol control, including: police, courts, licensing authorities, alcohol and drug services, and public health sections of the bureaucracy. From the 1960s, each State created alcohol and drug dependency services and a unit responsible for drug and alcohol policy (Lewis 1992, 133-42). Licensing Boards or Courts, Licensing Commissions and the state police forces were all responsible for decision making and administration of liquor licensing acts at the State level (Stockwell 1994, 76 and 101). Each State adopted a different approach to alcohol control policy over which they had jurisdiction. This was in contrast to areas where the Commonwealth had jurisdiction, where there was national consistency.

Each Australian State used a different model for the administration of liquor licensing. This included quasi-judicial institutions staffed by magistrates to make determinations about licensing and operated at a whole of state level. This was in contrast to New Zealand, where Licensing Boards operated at a local level and were elected by residents (see chapter six).

Appendix 1 and Appendix 2 both highlight that a majority of jurisdictions (NSW, Victoria, SA and WA) had Licensing Courts where magistrates made licensing decisions and others had licensing authorities appointed by the State Government. In addition to this, three States (NSW, Victoria and WA) appointed Licenses Reduction Boards to oversee the removal of hotel licences and the payment of compensation to affected licensees and owners. In each

State, these boards were established either after local option had been abolished (NSW and WA) or prior to it commencing (Victoria). The boards were most active in the period until the end of the 1920s and in some states, especially Victoria, oversaw the reduction of significant numbers of hotels. The board members were magistrates and appointed by the government of the day; they were able to authorise compensation payments that had been collected through a levy on hotel liquor purchases (Commonwealth of Australia 1909-29).

There was throughout the period, and indeed starting in the Colonial era, differences in the capacity of each of the states to introduce changes and to regulate alcohol. Victoria was the jurisdiction where the capacity was generally strongest throughout. In Chapter Four it was demonstrated that Victoria was the first state to introduce strict drink-driving countermeasures and their success led to their adoption around the country. This culture of using the powers of the state to a greater extent when it came to regulating alcohol started in the 19th century. Victoria was the first colony to ban Sunday trading of hotels and more hotels were closed through local option reductions and no-licence than anywhere else (Room 2010, 155). In the late 19th century, Victoria introduced a highly protectionist tariff for inter-colonial trade (Reinhardt and Steel 2006, 5). The Victorian Government also, along with South Australia, strongly supported the development of their wine industry through the 19th and 20th centuries (Lewis 1992, 45-6). Later in the 20th century, the greater state capacity was also in evidence. For example, the Hamer Government introduced price fixing for beer (Lewis 1992, 57). The Victorian Government also used the powers of the state to undertake the most significant changes to availability controls in the late 20th century (however, they were not as significant as those in New Zealand). As a result of the Nieuwenhuysen review, the Victorian Government made changes that shifted availability from industry protection – despite the strong opposition of the Hotels Association (Lewis 1992, 89-90; Craze and Norberry in Stockwell 1994, 50-1).

Referenda

Referenda were an institutional mechanism used regularly at the State level in the early 20th century to determine liquor laws. The referendum was used to determine issues including prohibition and early closing. The approach varied with some States using the referendum to determine changes, while others used the Parliament. A summary of the referenda held in Australian States during the period is in **Table 1**. NSW held five alcohol control referenda

from 1916 to 1969, three on the introduction and repeal of six o'clock closing, one on prohibition, and one on the issue of Sunday closing of hotels (New South Wales Electoral Commission 2012). Victoria held three referenda from 1930 to 1956, two on prohibition and one on the repeal of six o'clock closing. Queensland held two referenda on prohibition in 1920 and 1923 but none on six o'clock closing (which it never introduced) (Queensland Parliament 2008). South Australia held one referendum to introduce six o'clock closing in 1915 and no referenda on prohibition (State Electoral Office 2012). Western Australia held two referenda on prohibition in 1925 and 1950 but none related to six o'clock closing (Western Australian Electoral Commission 2012). Finally, Tasmania held just one referendum on six o'clock closing in 1916 (Tasmanian Parliamentary Library 2012). The questions put at each referendum varied. For example, Queensland's prohibition referenda gave the option of state control of the industry (Queensland Parliament 2008). Some States had requirements for referenda in legislation, but these were sometimes ignored, as they were in Western Australia. Polls were also held regularly, often in conjunction with state elections, regarding the issue of local option in each licensing district (Lewis 1992, 19). However, the rules of local option polls and their regularity varied by State (Fitzgerald and Jordan 2009, 158). Most polls resulted in no changes but were required under state liquor licensing acts. A number of hotels were closed and some dry districts were established (Lewis 1992, 58-61 and 67-73). Local option polls made it difficult for new licences to be granted. However, it became an onerous and expensive way to determine alcohol regulation when it became clear that citizens were concerned about extending licences but not becoming "dry".

The referendum was used regularly by early 20th century Australian governments to resolve polarising questions around alcohol control. It was an escape valve for governments in response to pressure; they had the capacity to send issues "to the people" through a referendum. In the period prior to World War Two, referenda were conducted to extend restrictions through six o'clock closing or prohibition. But after the War, referendums were only held in regard to freeing up previously imposed restrictions. The last referendum on alcohol control was in NSW in 1969 to extend trading days in licensed establishments to Sundays, which was unsuccessful (New South Wales Electoral Commission 2012). Most referenda were unsuccessful in freeing up previously imposed restrictions, demonstrating the difficulty of achieving change through referendum. Only the NSW referendum in 1954 to remove six o'clock closing was successful, where just 50.3% voted for change (New South

Wales Electoral Commission 2012). This demonstrated how there was a strong ability to oppose change by marshalling opposition. The temperance movement, although waning in public and ideological strength, was able to win the day and defeat proposals for change through the middle part of the 20th century (Lewis 1992, 76-7 and 81).

Table 1 – Liquor Referenda in Australian States 1900-2010

State	Year	Issue	Result
South Australia	1915	Closing hours	Approved 6pm (56.3%)
Tasmania	1916	Closing hours	Approved 6pm (58.7%)
New South Wales	1916	Closing hours	Approved 6pm (60.0%)
Queensland	1920	Prohibition	Continuance (50.2%), Prohibition (41.6%)
Queensland	1923	Prohibition	Continuance (59.3%), Prohibition (36.2%)
Western Australia	1925	Prohibition	Defeated (35%)
New South Wales	1928	Prohibition with compensation	Negative (71.5%)
Victoria	1930	Prohibition	Defeated (43%)
Victoria	1938	Prohibition	Defeated (34%)
New South Wales	1947	Closing hours	Approved 6pm (61.9%)
Western Australia	1950	Prohibition	Defeated (26.5%)
New South Wales	1954	Closing hours	Approved 10pm (50.3%)
Victoria	1956	Closing hours	Approved 6pm (60.3%)
New South Wales	1969	Sunday trading	Negative (58.0%)

Source: Harden 2010, Room 2010, Queensland Parliament 2008, State Electoral Office of South Australia 2005, New South Wales Electoral Commission, Western Australian Electoral Commission, Tasmanian Parliamentary Library, Butler and Ranney 1994

Royal Commissions and Formal Reviews

Relevant reviews at the Commonwealth level were rare until the late 1970s because of the limited sphere of influence over alcohol control. The Royal Commission into Drugs led to Commonwealth involvement in this policy area as a matter of public health (Stewart 1997, 392; Parliament of Australia 2012). This provided the evidence to justify a strong Commonwealth Government involvement, leading to the NCADA and the development of a national alcohol policy. Other relevant formal reviews at Commonwealth level included tax reviews such as the Henry Review, which recommended that the Commonwealth introduce a

volumetric tax on wine, something strongly opposed by most of the wine industry. The Commonwealth Government rejected the recommendations (VAADA 2010, 5).

There were a much larger number of Royal Commission and inquiries into alcohol and alcohol control at State level. This reflected the jurisdiction of State governments throughout most of the 20th century for the key measures of alcohol control – availability controls. Royal Commissions were often a precursor of change in State liquor laws. A summary of the relevant Royal Commissions into liquor in the Australian States is provided in **Table 2**. Most States held Royal Commissions during the period to consider the appropriateness of the existing laws. Queensland held a Royal Commission that reported in 1901 into the laws regulating the manufacture and sale of liquor (QLD Parliament 2008). Western Australia was next, the Mann Royal Commission on Liquor Licensing reported in 1922 just prior to the new Licensing Act which stipulated that a prohibition referendum must be held every five years from 1925 (Western Australian Electoral Commission 2012). Other major Royal Commissions into liquor were held in the post-World War Two era in the States that still had six o'clock closing in place. In NSW (1954), Victoria (1965), and South Australia (1966), Royal Commissions made particular note of the negative consequences brought about by six o'clock closing. The NSW Royal Commission found that early closing had led to “deplorable conditions”, noting that it encouraged a black market in liquor and recommended a return to later closing (New South Wales Government 2012; Lewis 1992, 79-85). In each of these states, within a year of the Royal Commission report being handed down, there was a change away from six o'clock closing. These Commissions and their findings, more than any other factor, appear to have led governments to changing the laws either after a referendum (NSW) or directly through legislation in the Parliament (Victoria and South Australia).

Each State also conducted other formal inquiries into liquor laws, some through the Parliament and others directly instigated by the Government. After World War Two, these reviews tended to recommend deregulation of restrictions, such as hours and days of sale, which had become viewed as out-dated approaches from a bygone era (Lewis 1992, 79-94). For example, Western Australia conducted reviews in 1958, 1969, 1987, 1994, and 2005. Victoria held formal reviews and inquiries in 1976, 1988 and 1997. In both of these states, the reviews and inquiries led to numerous refinements to the liquor laws. The recommendations included the promotion and expansion of the liquor industry, the role of alcoholic beverages in expanding tourism, and providing greater diversity of services and

facilities (Craze and Norberry in Stockwell 1994, 50-2). It was only later in the 20th century that formal reviews shifted their focus towards public health and harm minimisation objectives. An example was reviews of liquor in Aboriginal communities by the Northern Territory's Parliamentary Committee on the Use and Abuse of Alcohol in the Community (Wright 1997, 75).

Table 2 – Liquor Royal Commissions in Australian States 1900-2010

State	Year	Issue
Queensland	1901	Royal Commission into the laws regulating the manufacturing and sale of intoxicating liquors
Western Australia	1922	Royal Commission on Licensing (Mann Royal Commission)
New South Wales	1954	Royal Commission on Liquor Laws
Victoria	1965	Royal Commission into the sale, dispersal, or consumption of liquor (Philips Royal Commission)
South Australia	1967	Royal Commission into the law relating to the sale, supply and consumption of intoxicating liquors and other matters (Sangster Royal Commission)
Western Australia	1984	Royal Commission into liquor laws (Syme Royal Commission)

Source: Parliament of Australia, New South Wales Government – State Records, Queensland Government 1901, Harden 2010, Room 2010

Political Parties and Electoral System

A stable two party system operated in Australia throughout much of the period. From 1910 nearly every member elected to the Commonwealth House of Representatives was drawn from the Labor Party, the Liberal Party (under this or other names), or their coalition partners – the National Party (Aitkin et al 1989, 107; Jaensch 1992, 195). These major Australian political parties were shaped by the federal system, with each being organised along state lines (Aitkin et al 1989, 193-5; Jaensch 1992, 222-3 and 261-2). Each, but especially the non-Labor parties, had a different structure and history within each state (Aitkin et al 1989, 195). There was little difference between the major parties throughout with regard to their positions on alcohol control. Reforms to regulate and de-regulate alcohol availability were considered and implemented by both Labor and non-Labor parties (Lewis 1992, 65-94). With regard to local option, the most comprehensive forms of this policy were introduced in NSW and Victoria by non-Labor (Liberal) Governments in 1904 and 1905 (Lewis 1992, 58-

60). Phillips (1980) analysed the introduction of six o'clock closing in South Australia and NSW and argued that both Labor and non-Labor Governments in these two jurisdictions were reticent to introduce early closing and searched for ways to avoid its introduction. An assessment of legislative activity in the first half of the 20th century in the Australian States (see **Appendix 1 and Appendix 2**) showed that both Labor and non-Labor Governments introduced new restrictions; although a majority of local option, prohibition referenda and early closing restrictions were introduced by non-Labor Governments. This was in line with the findings of other researchers who argued that non-Labor parties were considered to have stronger links to the temperance cause than Labor (Lewis 1992, 58-60; Fitzgerald and Jordan 2009, 159). Overall there was not a discernible influence from political parties on alcohol control policies in the Australian states.

The Australian Labor Party (ALP) was the first major political party in Australia. The ALP was formed in 1890 during a period of economic distress and industrial unrest, which prompted the union movement to seek direct election of its members to parliaments (Aitkin et al 1989, 169; Woodward in Jaensch 1985, 154; Jaensch 1992, 215). The first Labor Government in the world was in Queensland in 1899 (Aitkin et al 1989, 169; Woodward in Woodward et al 1985, 153). The ALP retained throughout the period a close association with the union movement, serving as its political wing with many of its members also members of a union (Woodward in Woodward et al 1985, 158-9). The party had strong egalitarian, rationalist and socialist traditions, with a generally stronger association with the Catholic Church throughout much of its history (Aitkin et al 1989, 188; Woodward in Woodward et al 1985, 160). This link with the Catholic Church made the party less likely to support temperance principles, as they tended to be the domain of non-conformist Protestant churches. The ALP also had a more reforming and national ideology than the more conservative and federal Liberal Party (Woodward in Woodward et al 1985, 161-2). For much of the 20th century, the ALP had strong principles around nationalisation of key industries (Jaensch 1992, 217-20). In the period following World War One, the ALP strongly considered supporting issues like Prohibition in a number of States. The party also supported state control and it was a Labor Government in Queensland that held the only referenda where the question of state management of the industry was put to the people (Lewis 1992, 63).

The other major political party throughout much of the period was the Liberal Party. The modern Liberal Party was founded in 1944 but had a continuous history as the major non-Labor party from 1909, known by a range of names between 1909 and 1944 (Liberal, National, United Australia) (Jaensch in Woodward et al 1985, 137-8; Jaensch 1992, 249). The Liberal Party enjoyed stronger electoral success at the national level throughout much of the period when compared to the ALP (Jaensch 1992, 249). Similar to the National Party in New Zealand, it formed as a reaction against the ALP (Jaensch in Woodward et al 1985, 137; Jaensch 1992, 249). The Liberal Party contained a strong commitment to the federal system and state autonomy (Jaensch in Woodward et al 1985, 138-9). Another non-Labor party that served as a coalition partner to the Liberal Party throughout much of the period was the National or Country Party. The party was formed in 1920 although its origins could be traced to Western Australia in 1914 (Woodward in Woodward et al 1985, 166-7; Jaensch 1992, 285-7). Jaensch described the National Party as an agrarian right-wing populist party and it first served in a coalition government with the Liberal Party in 1923 (Jaensch 1992, 190 and 198). Both the Liberal and National parties tended to traditionally have greater support among Protestants, particularly among the non-conformist churches (Aitkin et al 1989, 180-1). This potentially made the Liberal and National parties more likely to sympathise with temperance ideas and greater alcohol regulation, although their support for less state intervention and individual freedom countered this.

Unlike in New Zealand, where there was just one electoral system, Australia had multiple systems. The Commonwealth Parliament had systems for the House of Representatives and the Senate, and there were a plethora in each State to elect parliamentarians. Voting was initially voluntary in all Australian elections. At Commonwealth level compulsory voting was introduced in 1924, voter turnout immediately went from below 60% to above 90% as a result. Queensland was the first state to introduce compulsory voting in 1915 and was followed by all other states until South Australia became the last to introduce it in 1942 (Australian Electoral Commission 2006). Australian parliaments initially had a “first past the post” voting system (similar to New Zealand), but the Commonwealth introduced preferential voting for both houses in 1918 and 1919, and the States all introduced their own form of preferential voting during the period (each State had a different variant) (Jaensch 1992, 350-2). At the Commonwealth level the House of Representatives had single member electorates and in 1948 the Senate was reformed to introduce proportional representation (Australian Electoral Commission). At the State level there was throughout the period significant

variation including different: numbers of members, terms, houses, and voting systems. No two states had the same electoral system in place (Jaensch 1992, 350-3). Australian electoral systems, combined with the division of powers, served to disperse power. Compulsory voting, preferential voting, multiple houses of parliament, and some levels of proportional representation have all reduced the concentration of executive power. Combined with other political institutions, the system has checked the capacity of governments to implement alcohol control reforms.

Policy Legacies

Policy legacies were perhaps the most significant institution in terms of the influence on alcohol control policies. Public policies had a strong shaping effect on actors in Australia and there were numerous examples of policies changing actor behaviour in ways that impacted on the possibilities for alcohol controls. This was consistent with the findings of historical institutionalists such as Pierson (2004), and also other influential political scientists – especially Lowi (1964, 1972, 1987).

Australian alcohol control policy legacies shaped consumers and industry, demonstrating how policy legacies can influence actors. The industry and consumer responses to alcohol control policies shaped the market as well. Historical institutionalists have argued that public policies impact on markets through regulation (Vogel 1996, Hacker 1998, Zysman 1994) and Australian alcohol regulations demonstrated their impact on the alcohol market. Prior to excise being reduced on light beer in the 1980s there was little or no market for the product. However, the lower excise rate stimulated production at a price that made it attractive to consumers, and a new market grew (James 1996, 12-3; Stewart 1997, 395). Similarly, the very low taxation of wine affected the wine market. A significant amount of production occurred in the cheap, bulk wine sector and arguably stimulated Australia's own container, the "cask" (Crosbie et al 2000, 12-5). Consumers and the industry also responded to the introduction of six o'clock closing in ways that resulted in unintended consequences, a reminder that governments and actors who advocate change cannot see how the policy will be adapted to. Six o'clock closing was supposed to make men drink less and go home to their families, but they responded by drinking as much as possible in a short space of time (Harden 2010, 58). Six o'clock closing therefore had the opposite effect and yet proved very hard to change because of the timidity of governments and the difficulties in achieving change.

Probably the best example of policy legacies having a major impact on actors and subsequent policy was the way that the temperance movement and the industry came together to support similar aims. This was consistent with the “Bootlegger and Baptist” coalition identified by Yandle (1983) in his study of the impact of regulations on actors, although it was somewhat different and best described as a “Presbyterian and Publican” coalition in the Australian context. The rise of the temperance movement encouraged the industry to respond and their conflict over prohibition and temperance was strong over many years. However, the industry and temperance movement also sought the same aims from time to time, especially to defend measures that made it harder for new liquor licences to be granted. Lewis argued that this started in the late 19th century and was in place through much of the 20th century as both sought to preserve the barriers to being granted a new liquor licence (Lewis 1992, 56). Both parties had no doubt learnt the possibilities of stopping new liquor licences during the period in which local option was in place. This “Presbyterian and Publican” coalition was also consistent with the findings of historical institutions Weir and Skocpol, who argued that political coalitions often came together or broke apart in response to the effects of state policies (Weir and Skocpol 1985).

When policy legacies encouraged actors to rally around their retention, they became very difficult to change. This was even when the policy had little popular or ideological support, and was inefficient with unintended consequences. Historical institutionalists argued that this phenomenon was common in public policy and explained why policy stability and path dependence was so common, even where the policy was inefficient or had unintended consequences (Hall and Taylor 1996; Pierson 1994, 2004; Hacker 1998). In addition to the “Presbyterian and Publican” coalition that existed to support high barriers to entry for new hotel licences, there were two other examples of how policy legacies generated actor support that made change difficult. The first was the ongoing tax treatment of beer, wine and spirits. Under these arrangements, spirits were taxed at a much higher rate and wine was the subject of no excise at all. Ideas that spirits were a more dangerous form of alcohol harked back to 18th century England and even new public health ideas that supported volumetric tax failed to break down these arrangement (Fitzgerald and Jordan 2009, 21-8; Lewis 1992, 6; Powell 1988, 4; Room 2010, 154). The wine industry had a strong interest in preserving these arrangements and was very effective at linking their product to agricultural production and moderation (Room 2010, 161; Fitzgerald and Jordan 2009, 139-40 and 268). The second was

the retention of six o'clock closing well after it had been demonstrated that the policy had terrible impacts on drinking patterns and hotel environments (Harden 2010, 54-6), and the greatest advocate for the policy (the temperance movement) had suffered a decline in support. Governments were unwilling to implement change and they only did so following the outcomes of Royal Commissions and/or a referendum. However, referenda in Australia only rarely produced change. Opponents were able to effectively rally support and this resulted in a general pattern that favoured policy stability (Harden 2010, 56; Dillon 1985, 147-8).

Australian alcohol control policy legacies also created division within actor groups. This was in line with the findings of historical institutionalists that actors constantly react to previous government efforts to deal with problems through the prevailing public policies (Weir and Skocpol 1985). For most of the 20th century, the LVA/AHA was the key industry body that represented the entire industry supply chain. Later in the 20th century, when there was a push to deregulate tight controls that limited off-premise availability, the LVA/AHA was often in conflict with other parts of the industry. This was particularly the case with the wine sector, liquor stores and supermarket chains. While there were examples of the industry working together (to oppose changes that would have negatively impact all), divisions were common in the modern era. The legacy of different excise rates for each beverage category also led to divisions between the beer, spirits and wine categories. The wine industry sought to maintain its preferential treatment, while beer and spirits sought reforms to the system (Lewis 1992, 46-7; Smith 2004, 142-3). Similarly, the on-premise and off-premise sectors were divided over availability controls because the off-premise sector sought to reduce barriers to entry while the on-premise sector sought to retain them. Policy legacies encouraged actors to divide and collude, depending on the nature of the policy.

A final demonstration of the influence of policy legacies were the numerous new actors that established after policies were implemented. As the range of alcohol control policy tools and ideas grew, so too did the range of policy actors. When alcohol treatment became a State Government responsibility, the funded organisations became a new set of policy actors (Lewis 1992, 133-4; Room 2010, 157). Similarly, when Governments funded additional research into alcohol and alcohol issues, it helped to create another group of key policy actors as well the output being used by public health actors (Hawks 1999, 806-8). New ideas were important in stimulating new policy actors, but it was often the implementation of new policy tools that assisted these actor groups to establish and gave them both the focus (changing or

maintaining existing policy) and resources. This was consistent with the findings of historical institutionalists such as Pierson, who identified that policy legacies impact on the structure, goals and resources of actors and interest groups (Pierson 1994).

5.4 Influence of Ideas and Socio-Economic Conditions

Ideas

At the start of the 20th century, temperance ideas grounded in religious morality were dominant and formed the major prism for viewing alcohol control. The non-conformist Protestant churches were the most fervent supporters of temperance ideas as it was consistent with their middle class concerns about moral decline (Lewis 1992, 51). They viewed the poorer classes as the victims of an evil product. Moral views about alcohol remained prevalent well into the 20th century (Fitzgerald and Jordan 2009, 167-9). Although temperance ideas were dominant through much of the early 20th century, the idea gained support that alcoholism was a disease that was best dealt with through treatment of the individual (Fitzgerald and Jordan 2009, 184). An important catalyst was the start of AA in Australia in 1944, which held that alcoholism was a disease that could be treated through the 12 step process of mutual help treatment (Fitzgerald and Jordan 2009, 205 and 212). This coincided with declining support for viewing alcohol as an evil and immoral product that preyed on weaker members of society. Similarly, support for temperance goals like prohibition and six o'clock closing declined in the post-war era. Alcoholism ideas developed during the 1950s and 1960s and remained influential for much of the period, especially in the treatment sector (Stockwell 1994, 124). The disease model had little interest in availability controls, viewing them as counterproductive and punishing the “normal” majority when measures should target the “diseased” minority (Room 2010, 157). By the early 1970s there was criticism of the disease model, partly because of the rapid growth in treatment centres, clinics, agencies and foundations that were considered both costly and inefficient (Lewis 1992, 147). There was a subtle shift towards considering alcohol as an addictive substance that caused dependence, much like other drugs. This moved ideas away from people having a genetic disease towards one where any person who drank heavily could become dependent and created the concept of alcohol dependence being an illness, an idea that became entrenched in medical circles by the mid-1970s (Fitzgerald and Jordan 2009, 207).

The public health approach identified population level issues and advocated population level solutions. The idea that alcohol abuse had public health consequences was not a new one (Fitzgerald and Jordan 2009, 205). However, the move from identifying the private health and public moral/legal consequences to the public health consequences took significantly longer. A public health figure who had a significant influence on ideas about alcohol control was Kjetil Bruun. He visited Australia in the early 1970s and outlined his policy messages of raising prices and limiting alcohol supply as the most important measures for reducing alcohol related harm in the population (Lewis 1992, 182). Public health focused attention on population level responses, less on the individual and more on overall consumption. The National Alcohol Strategy declared that it used a “public health approach” (MCDS 2006, 7).

From the 1980s, harm minimisation ideas became influential in Australian alcohol control. While they had many similarities with public health (the two labels were often used interchangeably), harm minimisation was less concerned with reducing total consumption, and more concerned with reducing harmful effects from drinking and intoxication. Harm minimisation gained ground and drove the debate towards reducing the social harms from drinking (Fitzgerald and Jordan 2009, 42, 52 and 305). The idea dominated the Australian drug policy debate from the mid-1980s, and alcohol was incorporated to some extent in the wider approach to drug policy (NDS 2001, 17; Loxley et al 2005, 559). Both the National Alcohol Strategy and National Drug Strategy supported a harm minimisation approach, arguing against abstinence or targeting alcoholism, but focusing on intoxication (MCDS 2006, 11 and 21; NDS 2001, 17).

Fitzgerald and Jordan argued that ideas and approaches from overseas were important for naming problems, identifying harms, and looking for causes and possible treatments. They argued that Australian ideas about alcohol and its control tended to follow the rest of the world but with local variations (Fitzgerald and Jordan 2009, 182-6). During the 20th century, there were examples of actors and governments looking to international developments. The Prohibition experiment in the United States (1919-1933) stimulated the temperance movement to push for its adoption in Australia (Fitzgerald and Jordan 2009, 175-6). It also appeared that Australian politicians were monitoring the effectiveness of Prohibition in the United States (Lewis 1992, 645). The National Alcohol Strategy and National Drug Strategy both referenced international research and experience in comparable countries such as the

United Kingdom, United States, Canada and New Zealand (NDS 2001, 20-2). But the impact that international policies, approaches or ideas had in isolation on Australian alcohol control was unclear. Consistent with the findings of historical institutionalists, it was more likely that their impact was mediated by domestic political institutions and policy legacies (Andersen 2007, Hall 1993).

From the 1980s there was a strong ideological agenda in favour of reducing the level of regulation in Australian society (Craze and Norberry in Stockwell 1994, 35). These neo-liberal ideas were influential on public policies in many countries. The ideas promoted individual freedom and reduced state interference in the activities of individuals, clearly at odds with the public health discourse. These ideas were influential in the establishment of government initiatives such as the NCP. The National Alcohol Strategy identified that the public health approach was often in conflict with modern Australian values of free trade, open markets and individual freedom (MCDS 2006, 7). These values encouraged deregulation, reduced state interference in the economy and social life, and diversity of services (Room 2010, 162).

Socio-economic conditions

Economic conditions had a close relationship throughout with rates of alcohol consumption. During times of economic recession consumption declined and during periods of economic growth it increased (Room 2010, 152; Fitzgerald and Jordan 2009, 7 and 91-2; Lewis, 9). However, there was not any evidence that the state of the economy impacted directly on alcohol regulation, although it was likely that a depressed economy reduced pressure for greater regulation. One element of the socio-economic environment that had an impact on Australian alcohol control policies was war. During the first half of the 20th century Australia was involved in two world wars, both led to increased patriotism, sacrifice and social regulation. This was demonstrated when six o'clock closing was introduced in South Australia, NSW, Victoria and Tasmania during World War One (Fitzgerald and Jordan 2009, 174 and 195). This measure was clearly linked to the war effort and it was unlikely it would have occurred had Australia not been involved in war, although the policy remained in place long after the end of World War One. Similarly, World War Two also had an impact on alcohol control, albeit in a less direct way. The Commonwealth Government gained greater control of taxation to fund the war effort which impacted on federal financial relations and,

longer term, taxing powers of the Commonwealth and the States. The post-World War Two environment supported moving away from wartime social and economic controls and allowing Australians to enjoy their new found freedom. This coincided with availability controls gradually being freed up (Lewis 1992, 2).

5.5 Influence of Actors

Temperance

The strength and influence of the temperance movement was greatest in the years prior to World War Two, but their legacy impacted well after this. The temperance movement continued in the 20th century to be made up of members of the non-Anglican Protestant churches (Lewis 1992, 13-4 and 49-59; Room 2010, 153). Temperance groups and societies structured themselves along state lines because their policy aims were to influence state based availability legislation. The aims of the movement by 1900 had largely moved away from local option. This had been implemented in nearly all States and had not proven to be the success that temperance advocates had hoped as very few towns or suburbs were dry and the greatest successes had been in stopping new hotels (Fitzgerald and Jordan 2009, 171-2). Attention shifted towards the ultimate aim of achieving total prohibition in each State. The temperance movement was at its peak in the 1910s and 1920s and it was during this period that their focus was on six o'clock closing (implemented in four States) and state-wide prohibition (Fitzgerald and Jordan 2009, 174; Lewis 1992, 61-5). The movement's strength waned after the 1920s, and their capacity to influence alcohol control policy and policy debates steadily declined (Fitzgerald and Jordan 2009, 178; Lewis 1992, 72-3). With their strength waning and the lack of success in achieving state-wide prohibition (not to mention the lack of success of Prohibition in the United States), the temperance movement began focusing on the enforcement and maintenance of existing laws (Lewis 1992, 73). The era when temperance actors were at their strongest delivered a number of stringent availability controls (six o'clock closing, licensing acts) and institutions (local option and prohibition referenda), and these were hard to dislodge despite changing attitudes towards alcohol (Room 2010, 156). Even with their reduced influence after World War Two, the temperance movement were able to organise themselves to oppose deregulation of controls into the 1960s. For example, their campaigns at the 1947 referendum in NSW and 1956 referendum

in Victoria were influential in defeating proposals to remove six o'clock closing (Dillon 1985, 147-8). The structure, aims and strategies of the temperance movement were all shaped by the institutional environment in Australia. This confirmed the findings of historical institutionalists about how actors define their interests and then organise and develop strategies (Hall 1997, Immergut 1998, March and Olsen 1989).

Industry

The alcoholic beverages industry was active, but a long way from united. By the late 20th century, each beverage category had a national industry body and these producer groups all had a particular interest in the excise and taxation system. Their focus was at the national level where policy responsibility for excise rested. At the retail level, the industry was represented from 1839 by the LVA (from 1959 it was known as the Australian Hotels Association or AHA) (AHA 2012). The association was structured along federal lines, with branches in each State, as the major policy issues were state based liquor licensing acts and availability controls. Although in some states, the LVA was structured along local or regional lines prior to the mid-20th century (AHA 2012). Like temperance and consistent with the findings of historical institutionalists regarding the formation of actors and interest groups, the various parts of the industry also structured around the level of government that provided the greatest potential benefit or threat to their business interests.

The Australian Association of Brewers (AAB) was established in 1967 and, in 2007, also became the representative body for the brewers of New Zealand under the title of the Brewers Association of Australia and New Zealand. AAB was involved in debates around alcohol taxation and alcohol advertising, issues with national level policy responsibility. The organisation therefore had a secretariat based in Canberra (Brewers Association of Australia and New Zealand 2012). Calls for a representative body for brewers began soon after Federation, in particular to protect the interests of the industry from attack by temperance campaigners (Lewis 1992, 32). Their interests were represented by the LVA/AHA prior to the establishment of the AAB, but the division in interests between publicans and producers stimulated the establishment of a specific representative body. From its establishment, the most active involvement by the AAB was in relation to excise and the debate about potential changes to alcohol taxation. Along with the Distilled Spirits Industry Council of Australia, the AAB supported, in 1986, a shift to a volumetric based system of excise for all beverages

(Lewis 1992, 39). This became more urgent as wine began to gain significant market share from the 1970s and the tax treatment gave them significant advantages compared to beer and spirits. This demonstrated the divisions between different sectors of the alcoholic beverage industry.

The spirits sector was almost entirely focused on taxation, largely because spirits attracted the highest rates of excise. The sector was represented by a national body, the Distilled Spirits Industry Council of Australia (DSICA). The members of DSICA were a small number of global brands that exported their products to Australia and some local distillers (Distilled Spirits Industry Council of Australia 2012). The spirits sector often held different views and positions on public policies, especially in the area of taxation, because they had always been subjected to the highest rate of excise per standard drink and been heavily linked to intoxication. DSICA spent the latter part of the 20th century lobbying for reform of the excise arrangements towards a volumetric system. This proposal set the spirits sector against the domestic wine industry. However, in the early 21st century the sector found itself under pressure from the Rudd Government's alcopops tax, which significantly increased the excise paid on ready to drink spirits. The sector strongly opposed the reforms and DSICA was a major voice in this debate, engaging with parliamentarians as the reform was initially defeated in the Senate. However, The Government was able to introduce the legislation a second time and it eventually passed and became law – despite the protests of the sector (Distilled Spirits Industry Council of Australia 2012).

The wine sector was represented by a range of associations, usually organised at the state level but increasingly concerned with national issues. In states like South Australia the wine industry received significant levels of state government support (Lewis 1992, 41 and 46). The wine sector took a different path and identified their product as part of agriculture, an industry strongly supported by governments (Room 2010, 161). In addition, wine portrayed itself as a drink of moderation and distanced from beer or spirits which were portrayed as drinks of intoxication (Fitzgerald and Jordan 2009, 268). The wine industry was represented by the Winemakers Federation of Australia (WFA) from 1989; a body that brought together the Australian Wine and Brandy Producers Association, the Australian Winemakers Forum, and the Wine and Brandy Co-operative Producers Association of Australia (Winemakers' Federation of Australia 2012). Each State also had a wine industry body to represent the sector on state based issues. Later in the 20th century the wine sector began to more

aggressively differentiate itself from other parts of the industry. From the 1960s, they began to push at State level for single bottle take-away sales of wine in a range of outlets. This put the sector in direct conflict with the AHA who opposed this move as it would make inroads into hotel bottle shop sales (Lewis 1992, 80). Through the WFA, the sector strongly opposed volumetric taxation on wine and came into conflict with both the spirits and beer sectors (Lewis 1992, 87-8). This issue also caused a split in the wine industry as some smaller and premium producers supported taxing volume and not value. The WFA rejected this position and instead supported the status quo and the interests of their larger volume based members (Smith 2004, 142). The excise system established in 1901 set the wine sector apart by not taxing wine on volume (unlike spirits and beer). As a result, the wine sector took a different position to ensure their continued preferential position. This encouraged wine to be portrayed as a different type of alcoholic beverage, one based on agricultural production and moderation. Wine was also initially (in the 19th century) an export product and not consumed domestically, resulting in less domestic taxation and temperance concern about the product, whereas beer and spirits were both consumed domestically (beer was produced domestically and the subject of excise and spirits were imported and subjected to customs duties).

The retail sector was arguably the strongest industry voice through much of the 20th century. Their representative association was the LVA/AHA, which represented the interests of licensed pubs and taverns and was organised along local and state lines – only later did it have any national presence (AHA 2012). Another sector with strength at State level was licensed clubs. Clubs NSW was established in 1926 and was soon followed by the other strong jurisdiction for the clubs sector, Queensland. They subsequently developed a national body to represent their interest, Clubs Australia (Clubs Australia 2012). A more recent representative association was the Australian Liquor Stores Association (ALSA). ALSA represented the interests of the packaged liquor sector not attached to hotels or taverns, including the two major supermarket chains (Australian Liquor Stores Association 2012). ALSA was established following changes to State liquor licensing laws that allowed a greater range of retailers to sell packaged liquor. All of these associations were actors in alcohol control policy debates, although the LVA/AHA had the longest history and greatest presence. The LVA was heavily involved in the fight against local option (through trade defence unions in many States), and each State helped out others during local option polls and prohibition referenda (Lewis 1992, 59-67 and 68). After being critics of strict control policies in the late 19th and early 20th centuries, the LVA/AHA became one of the greatest advocates for their

continuation. Lewis argued that this role as protectors of availability controls started from the 1960s and was led by the AHA (Lewis 1992, 80-94). This was because the barriers to entry (a legacy of local option) gave existing licensees a monopoly rent and therefore protected viability for existing licence holders (Lewis 1992, 73; Room 2010, 156 and 161). The AHA became a champion against deregulation of the sector and argued for controls to protect the public interest (Stockwell 1994, 186 and 299). Producers and non-hotel retail interests (such as supermarkets) had an interest in opening the market up through increased availability, thereby setting up conflict in the late 20th century (Room 2010, 160-2).

From the end of World War Two the industry was increasingly divided. Taxation divided the industry as each beverage sector developed its own specific agenda on this issue (Vandenberg et al 2008, 579-80). Lewis argued that the wine sector in particular differentiated itself from beer and especially spirits to oppose changes to the excise regime (Lewis 1992, 39-47). The wine sector also came into conflict with the AHA by pushing for greater availability (Lewis 1992, 80). The industry developed ways of uniting. For example, it came together to establish Drinkwise in 2005, to conduct research and education activities. Although its critics argued that the board was dominated by industry and it only funded research into ineffective measures, instead of contentious areas like taxation (Miller and Kypri 2009, 324-5). In the late 20th century, major industry groups (AHA, ALSA, Brewers, Clubs Australia, DSICA, and WFA) also formed a body to represent their interests where common ground existed, known as the National Alcoholic Beverages Industries Council (NABIC). It was a forum for discussion and advocacy on a range of issues (Distilled Spirits Industry Council of Australia 2012). The industry was regarded by its opponents as all powerful and capable of capturing governments (Fitzgerald and Jordan 2009). The industry was strong, both economically and politically, in certain parts of the country (Lewis 1992, 161). But it was difficult to identify clear examples of this strength equating to driving policy change, although they had success in retaining availability controls in conjunction with the temperance movement. Their real strength was when they collaborated in the “Presbyterian and Publican” coalition to maintain the status quo. The coalition was formed and shaped by Australian institutions, specifically by policy legacies that made it very difficult from the late 19th century to be granted a new liquor licence.

Treatment Professionals and Non-Government Organisations

A new constituency of doctors, treatment specialists, counsellors and non-government organisations became actors after the growth in treatment facilities and the establishment of alcohol treatment as a profession (Lewis 1992, 144 and 182). The field of psychiatry became active with regard to alcohol issues from the 1960s (Lewis 1992, 137). Treatment and the establishment of facilities for identification and assistance for alcoholics were paramount for psychiatrists. Lewis argued that some doctors from the 1960s began to agitate for alcohol control policy to become a political issue (Lewis 1992, 182-3). In the 1980s, the Australian Medical Society on Alcohol and Drugs (AMSAD) was established. Addiction medicine was also formally recognised as a specialty in 2002 (Webster et al in Moore and Dietze 2008, 12). The major professional organisations within the medical sector became alcohol policy reform advocates, including the Australian Medical Association (AMA) and the Royal Australian College of Physicians (RACP). In the late 20th century, these organisations became active supporters of alcohol taxation reform to achieve public health outcomes. The RACP supported: a minimum price per standard drink, a volumetric system, and hypothecation of tax revenue for harm prevention and treatment (Skov 2009). The AMA also supported volumetric taxation as a good public health policy (VAADA 2010, 2). The rise of the disease model and public health movement increased the role of the medical profession as a policy actor.

Non-government organisations increasingly became alcohol control policy actors. The first alcoholism foundations were State based, starting in NSW in 1957, Victoria in 1959, and South Australia in 1963. By 1977, all States had foundations that provided treatment, education and advocacy services (Lewis 1992, 134; Room 2010, 157). A national foundation started in 1967, the Australian Foundation for Alcohol and Drug Dependence (AFADD) (Lewis 1992, 134; Webster et al in Moore and Dietze 2008, 5). AFADD evolved into the Alcohol and other Drugs Council of Australia with affiliate members at State level (Webster et al in Moore and Dietze 2008, 5). Other related policy advocate organisations including the Australian Drug Foundation and the Victorian Alcohol and Drug Association also established (Australian Drug Foundation 2012, VAADA 2012). Their development as policy actors reflected the focus on linking alcohol and other drugs in terms of treatment, advocacy and education. These actors tended to shift their focus over time away from direct treatment towards advocacy, education, research, and information provision. The national alcohol policy also helped to enshrine the role of these non-government organisations as policy actors (Webster et al in Moore and Dietze 2008, 5-6). Another organisation specific to Western

Australia was the Alcohol Advisory Council of WA, which acted as a watchdog on the industry and lobbied for changes to State laws (Stockwell 1994, 165).

Alcohol Researchers

Prior to the 1980s there was limited Australian research into alcohol or alcohol control measures, and researchers were not active in alcohol debates. While alcoholism foundations and tertiary institutions were involved in research, it was argued that there was little funding provided through research agencies (Webster et al in Moore and Dietze 2008, 8). However in 1987 the Research into Drug Abuse Advisory Committee and two new national research centres were established as a result of the NCADA (Webster et al in Moore and Dietze 2008, 8). These research centres were the National Drug and Alcohol Research Centre (NDARC) at the University of New South Wales and the National Drug Research Institute (NDRI) at Curtin University (NDS 2001, 44). Both centres were still in operation at the end of the period (National Drug and Alcohol Research Centre 2012, National Drug Research Institute 2012). While alcohol was a focus for the research centres, they operated within the wider drug research sector. Public health and harm minimisation advocates viewed comprehensive research through independent and national research centres as important when advocating for changes to alcohol control consistent with their aims (Hawks 1999). One important piece of funded research was the NDRI's National Alcohol Indicators Project which tracked the incidence of alcohol related harm and measured key indicators over time (NDS 2001, 48). Since the 1980s, a significant alcohol research program developed in Australia (Webster et al in Moore and Dietze 2008, 8). The *Drug and Alcohol Review* journal was introduced as a forum for research into alcohol, tobacco and other drugs (Lewis 1992). *Drug and Alcohol Review* was the official journal of the Australasian Professional Society on Alcohol and other Drugs, an association for professionals and researchers in the area (Australasian Professional Society on Alcohol and Other Drugs 2012). The alcohol and other drug research sector were generally based on medical, scientific and public health disciplines.

The Commonwealth Government oversaw the creation of a number of alcohol related research and advisory bodies. One early organisation funded by the Commonwealth to provide advice on public health issues, which would eventually include alcohol, was the National Health and Medical Research Council (NHMRC). The NHMRC was established in 1926 following the recommendations of a Royal Commission (National Health and Medical

Research Council 2012). The NHMRC became responsible for production of a guide which included safe daily and weekly consumption levels that alerted drinkers about levels of consumption that minimised the risk of harm (NDS 2001, 19; Hawks 1999, 802; Stewart 1997, 397). In 1998, the Commonwealth established the Australian National Council on Drugs as the key advisory body on drugs and alcohol; and the National Expert Advisory Committee on Alcohol to provide advice on alcohol related strategies (Australian National Council on Drugs 2012, NDS 2001, 19). In 2001, the Commonwealth Government provided a \$115 million grant and established the Alcohol Education and Rehabilitation Foundation (Webster et al in Moore and Dietze 2008, 5). By the end of the period there were numerous Commonwealth funded organisations to provide advice and coordinate research.

Other Bodies

The labour and union movement in Australia formed a significant actor group with a strong association with the Australian Labor Party. The ALP was formed during the economic malaise of the 1890s as the political wing of the union movement (Woodward in Woodward et al 1985, 158-9). Some in the labour movement in the early 20th century were supportive of temperance and keeping liquor from the working classes. However, others had little affinity with the temperance cause and disagreed both that liquor was the main source of poverty and that the working classes were particularly intemperate (Phillips 1980, 254). The labour movement did express support for Prohibition; the NSW Labor Council supported it prior to 1920, when moves by the Liquor Trades Union to remove their affiliation prompted a shift away from this position (Lewis 1992, 65). The labour movement (Trades Hall Council) also supported the Gothenburg system of state management of the liquor trade in Victoria during the first decade of the 20th century (Fitzgerald and Jordan 2009, 159). However, the influence of the labour movement on alcohol control policy in Australia is best viewed through an assessment of their political wing, the ALP. In this respect their influence was relatively muted, with non-Labor parties more likely to introduce temperance inspired legislation.

5.6 Conclusion

In 1900 the major actors and ideas in Australian alcohol control had been in place for around half a century. The discourse was influenced by temperance thinking of the Protestant non-conformist churches. Alcohol was considered a wicked and sinful product sold by an immoral industry. In 1900 temperance groups had significant memberships and capacity to involve themselves in debates. They worked tirelessly with a moral fervour and the industry had also developed strong groups to defend itself. One year later, there was a major shift in Australian political institutions upon Federation. This created a number of new institutions that, over time, had a shaping influence on alcohol control policies. Their influence was minimal to begin with for alcohol control, as responsibility for the only policy tool of the day (availability) merely shifted from a colonial government to a State government, but the influence increased during the century along with the creation of new policy tools.

Global ideas about alcohol control had influence on Australian policy actors and debates. Temperance was dominant for the first half of the 20th century, but was replaced from the middle of the century by alcoholism. Alcoholism viewed alcoholics as innocent victims suffering from a disease, and this put the focus on different policy tools compared to the temperance focus on availability controls. The influence of alcoholism was seen through the post-World War Two focus on treatment and the increased role played by the medical profession. From the 1970s, public health (and harm minimisation) ideas shifted the focus to other policy tools such as drink-driving countermeasures, advertising controls, and national alcohol policies. From the middle of the 20th century, there was a decline in strength of the temperance movement and a secularisation of non-industry actors. New areas of policy encouraged a different type of alcohol reform advocate including treatment specialists, doctors, alcoholism foundations, and alcohol researchers. Alcohol became less of a moral problem and more of an individual and public health problem. Modern reform advocates expanded the scope of issues beyond temperance concerns with availability to encompass many other policy prescriptions.

Australia's political institutions dispersed policy responsibility between the Commonwealth and States and this was particularly important in shaping alcohol control towards a path of incremental change. Policy legacies also structured the behaviour of actors and generally promoted policy stability as they created incentives for groups to embed themselves around the existing arrangements. Australia's political institutions were largely formed in 1901. The Constitution established a federal system where power was divided between the

Commonwealth and States. At Federation, the only alcohol control policies were excise (although it was considered a revenue policy) and availability controls. These two responsibilities were clearly delineated with the Commonwealth having excise responsibility and the States availability. Australian federalism changed during the period studied through the growing fiscal dominance of the Commonwealth. Australian federalism allowed different approaches by enabling some States to experiment with policies prior to their adoption nationally, or to tackle problems in different ways (especially availability). Similarly, States like Victoria demonstrated a greater capacity than other jurisdictions in the Federation to use the powers of the state to regulate alcohol or make policy changes.

Since 1901, and especially since taking over income tax in 1942, the Commonwealth became the dominant financial power. The States were increasingly left with a weak, narrow and regressive tax base. This allowed the Commonwealth to become involved in areas of State policy responsibility, including alcohol control. The High Court also played an important role. Their judgments supported the Commonwealth's role as the sole recipient of alcohol excise and sales taxes. The *Uniform Tax Case* and the *Ha Case* secured their financial dominance and closed the door on State Government's applying tax on alcohol. In the late 20th century the Commonwealth became increasingly involved in alcohol control and established institutions to facilitate joint Commonwealth/State discussion and management. The National Alcohol Strategy and the NCP were examples of the increasing Commonwealth control and reduced State Government autonomy.

Australian institutions (policy legacies and political institutions) enabled State Governments to refer challenging alcohol control issues to others to decide in the early and middle 20th century. State Governments used these institutions to avoid polarising political decisions about alcohol control, although each State used them differently. This started with local option where voters in a district could vote for the number of licences. The legacy of local option was to provide significant capacity for the blocking of new licences, something that led to the strong "Presbyterian and Publican" coalition. The most significant shift in availability controls, six o'clock closing, was determined in three States by a referendum. Similarly, the most radical policy proposal, prohibition, was sent to a referendum in four States between 1920 and 1950. States also used Royal Commissions and inquiries to send alcohol control issues for independent advice. All States except Tasmania conducted Royal Commissions into alcohol and alcohol control during the period, and all States conducted

independent reviews or inquiries into liquor licensing. Royal Commissions were particularly influential in driving changes to liquor laws. Governments lacked the political bravery to introduce changes and sought an “escape valve” by sending issues to the electorate or independent experts.

Political institutions were important in shaping actors and the possibilities for policy change. Australian alcohol control policy actors structured themselves along federal lines in the early 20th century but by late in the century had shifted to national structures as policy responsibility shifted. Although policy stability was the norm, incremental change was achieved throughout the period. These changes were often driven by actors and supported by external factors such as war, but existing institutions were used, even where there was no existing policy approach. This showed that existing policy and institutions matter, and they had a strong structuring impact on the course of Australian alcohol policy development.

Policy legacies were arguably the most influential Australian institutions on alcohol control. Policies encouraged actors to respond in ways that shaped the future prospects for control policies, and they also created unusual coalitions. The temperance movement and the industry were supposed to be at either end of the spectrum when it came to alcohol control debates. Yet they worked together for much of the 20th century to retain controls that limited the capacity for new liquor licences. This “Presbyterian and Publican” coalition was shaped by the experiences from local option and helped to create policy stability. When actors embedded themselves around existing policies, it became very difficult to make changes. However, some policy legacies encouraged actors to divide rather than come together. The industry did just this in response to the ongoing divergence in the taxation treatment of different alcoholic beverages.

Chapters Four and Five demonstrated the important shaping and mediating role that institutions played in the evolution of alcohol control policy in Australia. This chapter highlighted that Australian political institutions dispersed power. The division of powers between the Commonwealth and State Governments had a strong influence on alcohol controls and how policy actors structured themselves. However, the legacies from previous policies were even more important. Availability controls and alcohol taxation arrangements had strong feedback effects on subsequent policy and the strategies pursued by policy actors, including the development of an unlikely “Presbyterian and Publican” coalition. The

influence of institutions was consistent with the findings of historical institutionalists who had previously found that domestic political institutions and policy legacies had a mediating effect on the course of public policies. These findings were confirmed in the case of Australian alcohol control and the HI approach, with its assessment of meso-level institutions and use of a long time horizon, was well suited to shining new light on Australian alcohol controls. Chapters Four and Five particularly highlighted that Australian institutions shaped alcohol control policies towards stability or incremental change.

In Chapters Six and Seven, the evolution of alcohol control policy in New Zealand will be assessed. Consistent with the case based and comparative approach favoured by historical institutionalists, the chapters will assess the same dependent and independent variables. While there were many similarities between the two countries, Australian and New Zealand alcohol controls had a different starting point and the divergence intensified during the period. Consistent with HI theory, this could be explained through reference to the different domestic political institutions and policy legacies. While Australian alcohol controls were prone to either stability or incremental changes, New Zealand's experienced comparative rigid stability or rapid and dramatic changes at critical junctures. The nature and reasons for this divergence will be further explored with particular reference to HI.

Chapter 6 Alcohol policy in New Zealand

6.1 Introduction

Chapter Four traced the history of alcohol and alcohol controls in Australia from 1900 to 2010 and Chapter Five assessed the influence of: actors, institutions, ideas and social/economic conditions on these controls. They highlighted a focus on availability controls in the early period followed by an increased range of control policies used by the state later in the period. The key institutions that influenced the course of alcohol controls were the division of powers (federation) and policy legacies. Federation split the responsibility for controls among the State Governments and also impacted on both state capacity and the structure and strategy of key actors. Policy legacies shaped the key actors and resulted in the formation of interesting strategies and alliances, and also served to lock in their own futures. Alcohol was no ordinary commodity in New Zealand either. Alcohol and its regulation played an important role, the debates and conflicts over alcohol were perhaps even greater in New Zealand – especially early in the 20th century. For a significant part of the period, New Zealanders had six o'clock closing and voted on Prohibition or state control of the industry at every General Election. New Zealand also had strict liquor licensing and local management of the liquor trade through Licensing Trusts. This chapter will describe the course of New Zealand alcohol control policy development. Replicating the approach in Chapter Four will mean that this chapter will be able to demonstrate that New Zealand alcohol control policies diverged from those in Australia. This divergence was despite many cultural, historical and economic similarities between the two countries throughout the period. Yet it will be argued that New Zealand alcohol controls followed a very different path.

Research on New Zealand alcohol and alcohol control had a different focus. Whereas Australian research tended to be devoted to the history of alcohol and its cultural place, in New Zealand it was focused primarily on the distinctive availability controls and fierce debates between temperance and the industry. This chapter will highlight that there were two pieces of historical research that took a keen interest in New Zealand alcohol controls. The works of Bollinger (1967) and Christoffel (2006) were detailed and comprehensive accounts of alcohol controls and influences in 20th century New Zealand. Christoffel's was academic

research, whereas Bollinger's was written as a narrative. This chapter will highlight that later in the period there was significant interest from public health researchers. Just as Robin Room was the leading public health researcher in Australia, Sally Casswell was the most published and significant public health researcher on alcohol in New Zealand. Because of the unique characteristics of New Zealand alcohol controls – such as the General Licensing Poll – they were often analysed by political scientists. There was also significant political science research focused on the dramatic reforms of the 1980s and 1990s to reform the economy and government along neo-liberal lines. These included works by Lange Government Ministers such as Geoffrey Palmer (1987) and Michael Bassett (1998). This chapter will argue that New Zealand research focused on a small number of unique availability controls (General Licensing Poll, six o'clock closing, Licensing Trusts) and periods (temperance/prohibition era, 1980s). Whereas many other alcohol controls – such as drink-driving countermeasures, treatment and national alcohol policies – received less research focus than in Australia.

Prior to 1900 there were similarities in alcohol consumption and alcohol controls between Australia and New Zealand. This chapter will outline that alcohol was a big part of early colonial life. New Zealand was colonised during a period when the temperance movement was growing rapidly in English speaking countries. High rates of drunkenness and consumption, combined with the growth of the movement, ensured a focus on alcohol controls. Like the Australian colonies, alcohol controls prior to 1900 included excise (considered a revenue policy rather than alcohol control) and availability controls. Whereas each Australian colony developed differently, New Zealand had a single approach to alcohol controls after the provincial governments were abolished and authority centralised in Wellington. By 1900, alcohol controls had taken on a stricter note with a greater preparedness to use the powers of the state to restrict access to alcohol. This chapter will trace these early experiences and identify that some of the basic tenets of early New Zealand alcohol controls were very influential into the 20th century. These included the restrictions on licences and practice of holding liquor referenda in conjunction with General Elections.

From 1900, New Zealand's taxation and availability controls took on a distinct character that diverged from Australia. Notwithstanding this, the chapter will demonstrate that New Zealand's alcohol taxation regime had many similarities to Australia including: variability by category, a decline in the share of taxation, and an initial focus as a revenue policy rather than an alcohol control. However, New Zealand alcohol taxation had diverged by the end of the

period with a hypothecated levy and substantial reforms to the tax paid on each beverage category. It will be shown that alcohol taxation was used less as a public health tool and never for industry protection. Availability controls were the most significant alcohol control policy throughout the period. While they were also important in Australia, this chapter will demonstrate that they took on a unique and highly restrictive form in New Zealand. Once introduced, the controls became defining elements of New Zealand culture, not just alcohol control. National six o'clock closing and the General Licensing Poll were legacies from a period of massive and defining changes during World War One. This chapter will track the development of the General Licensing Poll, until it was removed during a period of reforms in the late 1980s by the neo-liberal reforming Lange Government. Voting on the issue of prohibition at every General Election was a uniquely Kiwi approach, along with the model of local municipal control through Licensing Trusts that remained in a number of districts at the end of the period. This chapter will also track the remarkable neo-liberal reforms that swept away most of the highly restrictive alcohol control policies in the 1980s. From this time, New Zealand availability controls became less restrictive than Australia's. This chapter will outline this story of dramatic change and rigid stability in availability controls.

Like in Australia, New Zealand implemented a range of new policy tools later in the 20th century including: drink-driving countermeasures, advertising controls, treatment, and national alcohol policies. This chapter will track the development of these tools from the middle of the 20th century and demonstrate that the New Zealand approach to them also diverged from Australia. New Zealand generally introduced these policy tools in a less comprehensive way.

This chapter will demonstrate that there were clearly identifiable features of the New Zealand approach to alcohol controls. Firstly, there were many differences compared to Australia, in all areas of alcohol control. Secondly, there were periods of rapid and transformative change, such as those in 1910-19 and 1989-99. Thirdly, the approach was generally a more restrictive one, especially the measures introduced during the temperance era. Fourthly, there was a greater role for the New Zealand state, although this was not universal. Finally, the areas of traditional state control and public interest (availability controls) dominated and other policy areas failed to gain both traction and policy activity. While Chapter Four argued that Australian alcohol control was dynamic and incorporated regular and gradual changes, this chapter will argue that New Zealand controls incorporated rapid and transformative changes

at key points. This divergence from Australian alcohol controls was despite a similar starting point, and the same influencing ideas and actors.

6.2 New Zealand Alcohol Research

New Zealand alcohol and alcohol control research had a distinctive pattern that set it apart from Australia. There was significant attention on availability controls but very little to drink-driving countermeasures, treatment and the national alcohol policy. New Zealand research focused on the activities of the state in regulating and controlling alcohol, whereas Australian research focused more on cultural impacts and consumption. Public health researchers Sally Casswell and Liz Stewart were the most prolific analysts of alcohol related issues, similar to Robin Room in Australia.

Histories about alcohol were focused on the major political and policy flashpoint, availability controls. Perhaps the most often cited history was by Bollinger, published in 1959 (and again in 1967). Bollinger was an active participant in the debate and highly critical of the restrictive liquor licensing regime. He argued that this had resulted in poor quality and overcrowded conditions in hotels. Bollinger considered the arrangements to have initially been a victory for the prohibition movement, but were turned to the advantage of the liquor industry (Bollinger 1967, 6). Bollinger identified a coalition between temperance and the industry that primarily benefited existing licence holders. He focused on the period 1880-1960 and, while he considered the General Licensing Poll to be ridiculous, was a strong advocate for control of the liquor trade through Licensing Trusts. Bollinger documented in great detail a period in which alcohol was politically charged in New Zealand.

Another comprehensive history was the doctoral thesis by Christoffel (2006) that considered whether the evidence from 1881-2005 supported the availability theory of alcohol (that increased availability will increase consumption). Christoffel argued that New Zealand experienced numerous rapid changes in availability that constituted a historical experiment. The thesis was comprehensive, although the testing of the availability theory was less convincing. Christoffel reviewed the role of Royal Commissions and referenda and argued that the General Licensing Poll heightened the political significance of alcohol control for most of the 20th century. Christoffel argued that major changes in availability had little

impact on consumption because the actors adjusted their behaviour to the controls or circumvented them.

An extensive source of research was from Royal Commissions, Committees of Inquiry and Select Committee reports. These formed a periodic “stocktake” of issues in alcohol control and were regular and influential. The latest was conducted by the Law Commission (2010) – *Alcohol in our lives* – which represented a meta-analysis of alcohol control. While availability controls were an area of significant focus the Law Commission also reviewed treatment, drink-driving countermeasures, taxation, and advertising controls. These reviews were important sources because they were thoroughly researched and accessed primary material from submissions and witnesses.

Similar to Australia, most research on policy actors involved the temperance movement. Published in 1930, *Temperance and Prohibition in New Zealand* recorded key events in the late 19th and early 20th centuries. Editors Malton-Murray and Cocker were heavily involved and described, from a temperance perspective, developments in availability controls including local option, six o’clock closing and the General Licensing Poll. The book also detailed the position of the major Christian churches and temperance groups, and recorded a summary of their history and stance on alcohol issues. Another important history was written by De La Mare. *Drink or Drought* (1981) detailed the rise and fall of the prohibition movement. De La Mare argued that the movement was powerful from the 1870s for 50 years and described in detail the rising expectancy that Prohibition would be carried. Despite being a part of the movement, De La Mare poured scorn on his colleagues for letting early successes go “to their heads” and argued that the movement should have stuck to temperance rather than Prohibition. The work focused on Invercargill, the largest town to go “dry”, arguing that the outcome was very different to that advocated by prohibitionists with “sly grogging” and keg parties, reduced employment, reduced prosperity, and drunkenness.

The most prolific researchers on New Zealand alcohol controls were Sally Casswell and Liz Stewart. They wrote from a public health position, an example was their 1986 collaboration – *From a public health perspective* – which tracked the availability of alcohol. As opposed to Christoffel and Bollinger, who identified the anomalies of liquor licensing, Casswell and Stewart argued that the period to 1985 represented a march towards liberalisation and against public health. They outlined the problems with alcohol misuse and expressed their view that

controls could limit consumption and health problems. They argued that the laws to control alcohol consumption on licensed premises were not being adequately enforced. In 1983, ALAC published *Living with Alcohol: preventing misuse* which detailed policy objectives that ALAC urged the government to implement including: additional research, restricting advertising, restricting availability, and using taxation to reduce consumption. Public health researchers also conducted significant research into attitudes about alcohol. Casswell and Martin (1986) took the standard public health position and argued that health promotion had been hindered because it threatened the industry. Despite New Zealand having restrictive alcohol advertising laws, they argued that government regulations needed to be much tighter. In 2005, Casswell and Maxwell published an article about why policies that reduced alcohol related harms were not more popular. They argued that when there is division among the public health movement, then the industry can effectively oppose changes that will reduce harms. Casswell and Maxwell concluded that the industry was all powerful and therefore able to influence initiatives that might be effective in reducing harm.

From 1984, New Zealand experienced rapid change under the Lange Labour Government and the following National Government. The structure of the economy and government shifted significantly. A number of members of the Lange Government published on New Zealand politics including Roger Douglas, Geoffrey Palmer and Michael Bassett – some while the Government was still in power. In 1987, Geoffrey Palmer published *Unbridled power: an interpretation of New Zealand's constitution and government*. Palmer argued that the loose and vague constitutional arrangements, combined with unique political institutions, meant very few checks on executive power. This made New Zealand a highly regulated and governed society that turned to laws to change behaviour. Palmer recommended a major shake-up of New Zealand political institutions. Another Lange Government Minister, Michael Bassett, published a history of Government in New Zealand – *the State in New Zealand 1840-1984: socialism without doctrines?* Bassett argued that, from the early colonial days, there was an enthusiasm for state activity and a desire to experiment with the powers of the state. Bassett argued that more and more economic and social controls were enacted, eventually suffocating the nation and requiring major restructuring by the Lange Government. Bassett also identified the prohibition movement and their successes in achieving early closing and licensing referenda as symptomatic of a society where areas of personal responsibility “were the subject of legislative intrusion” (Bassett 1998, 143).

Kelsey (1995) was highly critical of the reforms from 1984-1993 by Labour and then National Governments. Kelsey argued that this period was infamous for the ‘New Zealand experiment’, an application of pure neo-liberal economic theory that incorporated: market liberalisation, limited government, monetarist policy, a deregulated labour market, and fiscal restraint. Kelsey argued that other countries faced with the same challenges (including Australia), chose very different paths. Kelsey considered the social, economic, ideological and institutional conditions to be right for the significant reforms and that many were able to be “locked in”. Miller’s (ed.) *New Zealand: Politics in Transition* (1997) highlighted the post-World War Two consensus that was built around Keynesian intervention in the economy and a strong welfare state. By the early 1980s, New Zealand had become one of the most protected and highly regulated nations in the Western world, led by a National Government that used the highly centralised system to avoid reform. Miller noted the paradox that, to achieve a minimalist state, neo-liberal reformers used the full powers of the state with its limited checks on executive power.

The most prolific researcher regarding alcohol taxation in New Zealand was Brian Easton. His 2002 *taxing harm: modernising alcohol excise duties* was funded by ALAC and written from a public health perspective. Easton concurred with Casswell that alcohol excise had not been considered an alcohol control policy but instead a fiscal imperative of Government. Easton argued that excise should be used to reduce alcohol misuse and should be based on the ethanol content of the beverage. He considered the differential treatment by beverage category to have no justification, although he argued that the exception should be wine and spirits! Easton concluded that excise should be lifted and the ALAC levy increased (the paper was funded by ALAC).

6.3 Alcohol and Alcohol Policy pre 1900

From the early 1800s, sealers and whalers, then missionaries, and eventually free settlers began arriving in New Zealand (Easton 2003, 1). Unlike some Australian colonies, New Zealand was never a penal settlement. They lived a life of hardship and drunkenness was one of their few outlets (De la Mare 1981, 9; Easton 2003, 1). Easton argued that the arrival of women into this culture had some impact on the rise of the temperance movement (Easton 2003, 1). De la Mare described mid-19th century Otago hotels in the early gold mining days

as mere tents. The cheapness of spirits and lack of availability of beer assisted a culture of intoxication. By 1864, Invercargill had over thirty hotels for a population of 5,000 (De la Mare 1981, 47).

Alcohol consumption developed in a similar way to the Australian colonies, although by the late 19th century was lower in New Zealand. In the 1840s, the average white male drank 45 litres of spirits and 14 litres of beer each year (Hutt 1999, 36). This represented a high rate of spirits consumption and very low level of beer consumption, due to the difficulties associated with storage and transport of beer. During the 1850s and 1860s, the average rate of spirits consumption in New Zealand was well in excess of England and the Australian colonies, and there was also a high rate of public drunkenness convictions (Christoffel 2006, 16).

However, consumption dropped markedly in the 1870s and 1880s. By 1890, consumption of beer and wine was substantially less than Britain and the Australian colonies, and per capita spirits consumption had dropped to two thirds the average in Victoria, NSW, and Britain (Christoffel 2006, 16-7). This fall saw a similar reduction in convictions for drunkenness. Christoffel pointed to the 1880s depression, increased availability controls and urbanisation, and the new role of women in civil society as factors (Christoffel 2006, 17).

While there was debate about whether Maori had exposure to alcohol before the arrival of Europeans, there was no history of systematic alcohol production (Mancall et al 2000, 130; Hutt 1999, 3; Ministry of Health/ALAC 2000, 1). In the early 19th century Maori had a strong aversion to alcohol, and early missionaries reported very little consumption up until the 1830s (Hutt 1999, 7; Mancall et al 2000, 129-31). By the time of the Treaty of Waitangi in 1840, there was significant exposure of the Maori to alcohol and by the 1850s drinking was becoming a noticeable problem – especially in urban areas (Hutt 1999, 23-5). Mancall et al, and to a lesser extent Hutt, argued that there was a complex Maori response with wide variations between Maori tribes, some went dry while others became ‘slaves to alcohol abuse’ (Mancall et al 2000, 132; Hutt 1999, 24). Similarly, some tribes wanted to halt alcohol, while others believed it to be important for them to claim the economic rights granted by the Treaty of Waitangi (Mancall et al 2000, 131-2). Maori consumed less alcohol and were convicted for drunkenness less often than Europeans throughout the 19th century. Eldred-Grigg showed that in the 1850s there were 44 alcohol related convictions per 1,000 adults for the European population, but just 1 per 1,000 for Maori. By the turn of the twentieth century there were 15 convictions per 1,000 for Europeans compared to 4

convictions per 1,000 for Maori (Eldred-Grigg in Hutt 1999, 54). Maori alcohol consumption and drunkenness remained below that of Europeans throughout the 19th century (Hutt 1999, 54). There were similarities between indigenous Australians and Maori, but the evidence suggests that there were less negative issues in New Zealand. It also appears that some Maori tribes saw opportunities to trade in alcohol (Mancall et al 2000, 132).

Alcohol Controls pre 1900

The early alcohol control focus was on availability, a pattern that continued throughout. According to ALAC, the early pioneering period saw few controls on alcohol sales with rudimentary pubs and bars established and alcohol often available in general stores (ALAC 2012, 13). New Zealand was a dependency of NSW until it became a separate colony in 1840, with the same licensing regime (Jackson 1973, 19; Bassett 1998, 35). An 1841 Ordinance banned the distillation of spirits throughout the colony. This was the first piece of legislation enacted by the new colony and highlighted the important early role of liquor (De la Mare 1981, 10; Bollinger 1967, 7; Malton-Murray and Cocker 1930, 144). The ban on distillation proved to be extremely durable and lasted well into the twentieth century (Bollinger 1967, 28). It highlighted the concern regarding spirits in the colony and the early use of legislation to stamp out production. An 1842 Ordinance determined that liquor could only be purchased from licensed premises that included fixed hours from 6am to 10pm and limits on Sunday and religious holidays (Bollinger 1967, 15; De la Mare 1981, 1). Responsibility for licensing was with the provincial councils and each had different laws with varying degrees of control over the sale of alcohol (Bollinger 1967, 22; Christoffel 2006, 15). This changed when the provincial councils were abolished in 1876 and responsibility was centralised in Wellington, but from the late 1850s there had been pressure for provinces to prevent new outlets (Bollinger 1967, 22-3; Christoffel 2006, 67). A petition to the Wellington provincial council in 1858 sought to restrict the number of outlets, and an 1864 Otago Ordinance was the first move towards local option with voters being given the power to permit or refuse new licences (Bollinger 1967, 23). Early availability controls were similar to the Australian colonies in many respects.

Taxation of alcoholic beverages was established early. Spirits and tobacco taxes were used as a source of revenue because of the convenience and relatively price inelastic nature of the products (Easton 2002, 18). The 1841 Ordinance applied import duties on spirits at the rate

of 4 shillings a gallon, beer was not initially taxed (Easton 2002, 18; Easton 2003, 2). There were further tax increases on imported spirits, but the most significant change came in 1880 when a tax on beer was imposed at the rate of sixpence a gallon (De la Mare 1981, 56). Customs and excise formed almost the entire government revenue, in 1875/6 it made up over 90%. Similar to Australia, this dropped significantly as other forms of direct taxation were increasingly used in the 20th century (Easton 2002, 18; Easton 2003, 2). Taxation of alcohol was attractive to governments because consumption was viewed as indulgent and duties were considered 'sin taxes' (Easton 2003, 2). However, alcohol taxation was largely viewed as a government revenue policy.

Soon after the Treaty of Waitangi, the Government introduced special laws to regulate Maori access to alcohol. The *Sales of Spirits to Natives Ordinance* of 1847 forbade the sale or supply of liquor to Maoris in any proclaimed areas (Bollinger 1967, 17; Hutt 1999, 19; Malton-Murray and Cocker 1930, 144; Mancall et al 2000, 131). From the 1850s, a number of provincial councils used powers under the Ordinance to prohibit alcohol sales to Maoris (Mancall et al 2000, 131). In 1870, Native Licensing Districts were established in rural areas with at least two thirds Maori population. This ensured that local Maori had to provide permission before any licences could be granted in their districts (Hutt 1999, 42). The *Licensing Act 1881* provided for native licensing districts and prohibited the sale of alcohol in those districts. One such district proclaimed in 1884 was the King Country, a large area of the North Island that remained dry well into the twentieth century (Hutt 1999, 95; Christoffel 2006, 15).

Consumption of spirits and convictions for drunkenness were high in the 1850s and 1860s, the *Licensing Act 1873* was designed to put controls in place. The Bill was personally advocated by the Premier, William Fox, a temperance campaigner. While the original legislation was watered down by the Parliament, it still represented the first temperance driven legislation (Bollinger 1967, 24). The Act established a Licensing Court to grant liquor licences (Christoffel 2006, 16). Fox had originally planned full local option, but the Act only incorporated the capacity for the Court to deny a licence by a signed statement from two thirds of the adults in the district. The Licensing Court was also given the capacity to only grant a licence if, in its opinion, there was a need for it (Bollinger 1967, 24). The 1873 Act started the notion that licences only be granted if deemed necessary.

The most comprehensive availability legislation was the *Licensing Act 1881*. Following the abolition of the provincial councils, the Act consolidated a range of assorted acts and Provincial Ordinances relating to liquor (Christoffel 2006, 16). It covered all aspects of licensing and availability, and moved a step closer to local option (De la Mare 1981, 21; Malton-Murray and Cocker 1930, 146). The Act banned Sunday trading, established a minimum age for purchase, and required the provision of meals and accommodation (ALAC 2012, 13; Law Commission 2009b, 11; Malton-Murray and Cocker 1930, 147; De la Mare 1981, 18-20). It also established 380 licensing districts around the country, with an average population of just under 2,000 people (Christoffel 2006, 98; Malton-Murray and Cocker 1930, 147). Within each district, the Act allowed for the election of a licensing board to make decisions about licence applications (Christoffel 2006, 67; Malton-Murray and Cocker 1930, 147; Ringer 1991, 151). Ringer argued that these boards represented the first administrative tribunals in New Zealand (Ringer 1991, 211). Boards could only issue a new licence if a poll of ratepayers had agreed through a majority vote that there could be more licences granted in that district (Christoffel 2006, 98; Malton-Murray and Cocker 1930, 147; ALAC 2012, 13). Many boards became dominated by prohibitionists due to their interest, with clergy as Chairman and members quite common (De la Mare 1981, 22-59). The boards had discretion to reject licence applications if they felt there was not a need for it. Similarly, they could reject renewals if there was the capacity to disturb the local population (De la Mare 1981, 61; Malton-Murray and Cocker 1930, 148). The Supreme Court stopped boards from making decisions without following due process, but there was a reduction in licence numbers through the rejection of renewals (De la Mare 1981, 23; Malton-Murray and Cocker 1930, 148). While local option and licensing districts were also in Australian colonies, the opportunity to directly influence local licensing was unique to New Zealand.

The *Alcoholic Liquor Sales Control Act 1893* introduced local prohibition with a requirement for a three fifths majority and the need for a 50% turnout for the poll to be valid. Christoffel argued that Premier Seddon introduced the bill to remove the liquor question from parliamentary politics and into a separate and direct poll of citizens (Christoffel 2006, 68). The Act further reduced Maori availability and changed licensing hours (Christoffel 2006, 16 & 134; De la Mare 1981, 27). The impact was significant with virtually no opportunity for new licences, and greater chances of local reduction or prohibition (ALAC 2012, 14; Christoffel 2006, 99). Licensing districts were also increased in size significantly to bring them into line with electoral boundaries (Christoffel 2006, 99; De la Mare 1981, 24; Malton-

Murray and Cocker 1930, 149). Local option polls were made triennial and three licence questions put to the electorate: continuance, reduction, or no licence. An absolute majority would carry either continuance or reduction, but 60% was required to carry no licence. Where no licence failed to reach the required 60%, but that vote plus the vote for reduction reached a majority then reduction was carried. Where reduction was carried, district licensing committees were able to cancel up to 25% of licences in the district with priority to those with offences or little accommodation (De la Mare 1981, 26; Malton-Murray and Cocker 1930, 150). If no licence was carried then it would require a 60% vote to restore licences in that district (De la Mare 1981, 26). The Act was amended in 1895 so that the poll would be taken on the same day as the general election (Malton-Murray and Cocker 1930, 151). Prior to this, the turnout was very low and only 33% voted at the 1894 poll (Christoffel 2006, 69). The introduction of local option in 1893 coincided with women being given the vote, something that was expected to impact the outcome in favour of no licence (De la Mare 1981, 24; Malton-Murray and Cocker 1930, 75). The first poll was held in March 1894 and the Otago electorate of Clutha was the first to vote for no licence and go dry. With its largely Presbyterian population, no licence was carried by a majority of three to one and 12 licences were cancelled (Malton-Murray and Cocker 1930, 72 & 170; De la Mare 1981, 28). In Invercargill, the no licence vote was very close, but reduction was successful (De la Mare 1981, 63). The polls in 1896 and 1899 saw an increase in the reduction and no licence vote, and it was only the 60% requirement that kept districts from going dry (Malton-Murray and Cocker 1930, 75; De la Mare 1981, 30).

6.4 Alcohol Policy 1900-2010

Chapter Four demonstrated that Australian alcohol control policies incorporated ongoing changes and the introduction of new policy tools. New Zealand alcohol control policies began to diverge from those in Australia after World War One. The interplay between policy decisions made at this time and political institutions in New Zealand promoted a different evolution that incorporated more rigid stability and rare but dramatic changes. Chapter Four also highlighted that Australian alcohol control policies were internally divergent because of the split in policy responsibility between the Commonwealth and the States. New Zealand alcohol control policies were different in this regard and there was no internal variation because responsibility for all policy tools was centred in Wellington.

Alcohol Taxation

By 1900 there was a tradition in New Zealand of applying excise to alcohol and other products that were relatively price inelastic, such as tobacco and fuel. Alcohol excise provided between 8% and 10% of government revenue in the early 20th century (Christoffel 2006, 53). Alcohol was considered an indulgence and excise on it was viewed as a ‘sin tax’ (Easton 2002, 18). Like Australia, excise varied by beverage type. Easton argued that these differences were based on beliefs about the impact of each (Easton 2002, 54). World War One saw the Government increasingly require funds for the war effort and they introduced a graduated income tax and additional duties on spirits (Bassett 1998, 129). The biggest change in the first half of the 20th century was in 1921 when the excise on beer and spirits was doubled and there was a significant increase in import duties on wine (Christoffel 2006, 126-9). In World War Two, price controls were introduced and lasted until the early 1960s (Bollinger 1967, 148).

The 1958 “black” Budget brought down by Treasurer Nordmeyer was a readily identifiable change in alcohol excise that left a legacy on New Zealand politics. Due to a fiscal crisis, the 1958 Budget included significant increases to duties on: spirits (from 60 to 120 shillings a gallon), beer (from 3 to 6 shillings a gallon), tobacco, petrol and cars (Bassett 1998, 301; Vosslander 2010, 11; Ashton and Casswell 1986, 8). The changes had an immediate impact on consumption of beer and spirits. There were no increases on wine and a growth in consumption as drinkers shifted from spirits (Christoffel 2006, 182). The public saw it as an attack on the pleasures of the working man, despite the argument that duties would remain lower than Australia and Britain (Easton 2002, 19). This led to a perception that Labour was dominated by puritans who stood for increased taxes and controls (Bassett 1998, 301). It was also seen as bringing about Labour’s electoral defeat (Christoffel 2006, 184; Vosslander 2010, 13). Following this, alcohol taxes remained virtually unchanged for the next 18 years (Ashton and Casswell 1986, 8).

Between 1958 and 1976 there were only limited changes to alcohol taxes (Bassett 1998, 316; Ashton and Casswell 1986, 8). During the 1970s keeping rates steady was reducing the real level of government revenue, as inflation was at double digit rates (Easton 2002, 20; Christoffel 2006, 184). In 1976 there were changes through the introduction of a new

hypothecated tax. As noted previously, the Alcoholic Liquor Advisory Council (ALAC) was established and its ongoing funding came from a new levy on all alcoholic beverages sold in New Zealand (Easton 2002, 22; Law Commission 2009b, 116; RACP 2005, 21; Ashton and Casswell 1986, 10). Easton argued that the ALAC levy was unusual but not unique in international terms (Easton 2002, 23). There was no similar levy in Australia, although the LWA Levy in the 1990s was very similar until it was deemed unconstitutional by the High Court. 1976 also saw an increase in the excise on spirits and beer, and there were increases every year except one between 1976 and 1984 (Easton 2003, 3; Ashton and Casswell 1986, 8; Christoffel 2006, 221). In 1979 sales tax was introduced on beer at 30% and was increased on spirits to 40% (Ashton and Casswell 1986, 9; Easton 2003, 3). By the late 1970s, the language used to justify increases was to cover the health and welfare costs that alcohol consumption generated (Caswell et al 1993, 11).

There was significant change in New Zealand politics after the election of the Labour Government in 1984. In 1984, at a similar time to the Australian Government, the Government reduced the excise on light beer (Ashton and Casswell 1986, 9; Christoffel 2006, 196). However, this was not significant enough to stimulate the production of low alcohol beer as it did in Australia. By 1986 there was a specific (customs or excise) tax, sales tax and ALAC levy for beer, spirits, and wine. Beer taxes included an amalgamated sales tax that varied depending on country of origin and alcohol content, and an ALAC levy. Spirits had an excise levied at specific rates, a sales tax levied at specific rates, and an ALAC levy. Table wine had a sales tax, a duty on imported wine, and an ALAC levy. The sales tax and ALAC levy were higher for fortified wine (Ashton and Casswell 1986, 10). In 1986 the Government introduced a GST (initially 10%) and changed the tax treatment of wine from a value based sales tax to an excise based on alcohol content. This meant that duty on expensive wines fell and rose for cheap wines, a change advocated but not adopted in Australia (Easton 2002, 23; 2003, 3). The Sullivan Review made a number of recommendations which were implemented in the 1989 Budget. The first was to increase the rate of excise on beer and wine (not spirits) by the CPI every six months (Easton 2002, 24-5; Casswell et al 1993, 11; Casswell and Maxwell 2005, 120). Another was the simplification to only two excise rates, one for beverages above 24% abv (\$30 per litre of alcohol), and one for beverages below 24% abv (\$15 per litre of alcohol) – with the lower rate to be increased by CPI until they reached parity (Easton 2002, 25; Easton 2003, 3). However, both rates were subsequently

increased by CPI, keeping the differential between spirits and other beverages (Law Commission 2010, 308).

In the 21st century, similar to Australia, alcohol taxation had turned from a government revenue issue to a public health issue. At the turn of the century alcoholic beverages were the subject of a variable specific excise, 12.5% GST, and an ALAC levy (Ironfield et al 1999, 34). The 2001 Tax Review could not comprehend why spirits continued to be taxed at nearly double that of other beverages per unit of alcohol (Tax Review 2001, 38-9). The system had also stimulated a unique response by the industry, the production of “light” spirits at 23% abv. These beverages benefited from paying the lower excise rate and meant that a bottle of “light” spirits became the cheapest source of alcohol (Easton 2002, 8-50). This anomaly led to a reduction of the threshold to 15% alcohol by volume, cutting out “light” spirit production immediately (Easton 2003, 6; Casswell and Maxwell 2005, 121). The system in 2010 included: a two tier excise system with one rate for beer, wine and RTDs (less than 15% abv); a higher rate for spirits and fortified wines (more than 15% abv); a GST (now 15%); and an ALAC levy (Law Commission 2010, 291-3; Law Commission 2009b, 165-6). Low alcohol products were a tiny proportion of the market, less than 1% of beer was light (Law Commission 2010, 309).

The proportion of government revenue from customs and excise declined over time. By 2002/03, the proportion from alcohol and tobacco had fallen to around 5.4% (Easton 2002, 18; Easton 2003, 2). The Government had found other more direct ways to generate revenue. In 1982, ALAC estimated that total alcohol taxes (excise, customs and sales tax) were \$394m, or around 15% of indirect taxation, in addition \$2.6m was raised through the ALAC levy (ALAC 1983, 8; Ashton and Casswell 1986, 19). In 2008/09, customs and excise on alcoholic beverages raised around \$830m and the ALAC levy raised \$12.8m (Law Commission 2010, 291).

In Australia and New Zealand reliance on alcohol taxation reduced as governments found more direct ways to generate revenue. In both countries there were significant changes from the 1980s as the GST was introduced and CPI applied to excise. However, the approaches diverged in key ways. New Zealand introduced a hypothecated ALAC levy – in addition to excise and sales tax – in 1976. The NT introduced a similar levy in the 1990s but it was stamped out by the High Court. The level of alcohol taxation in New Zealand also diverged.

By the 21st century the rate was significantly lower than Australia for beer, spirits, and premium wine. After both countries had initially barely taxed wine, New Zealand shifted to a specific excise based on alcohol content, whereas Australia used value based taxes. The Australian approach was unusual as it advantaged low value bulk wine at the expense of premium wine, and was against public health principles that alcohol excise should be based on the alcohol content (Anderson 2010, 221-4). Prior to indexation, there were bitter battles over periodic increases to alcohol excise. In New Zealand there were dramatic increases that were radical enough to leave a lasting political legacy. Finally, the system provided incentives for the industry to produce new beverages in both countries. In Australia the light beer market grew significantly after excise was reduced, whereas in New Zealand there were “light” spirits produced after changes in the 1980s.

Availability Controls

Availability controls were the major form of alcohol control policy during the period. The focus was intense and the policy measures sometimes extreme. The period saw New Zealand move from one of the most restrictive availability control systems in the world to one of the least restrictive. There were attempts to categorise availability controls into periods. Christoffel argued that there were several periods when changes were introduced so rapidly that they constituted a “historical experiment”, including: local option, six o’clock closing, and liberalisation from 1989 (Christoffel 2006, 2). By 1900, many features of 20th century availability controls were already in place. The liquor licence freeze had begun with local option from 1894, although in 1900 there was still only one dry district (Ringer 1991, 151). However, new licences were almost impossible to grant, and reduction had impacted in many districts. Liquor polls at general elections were already in place, Sunday trading was banned, trading ceased at 11pm, and the MLDA was 18. Maoris also had significant restrictions on their capacity to purchase liquor (Bollinger 1967, 104; Law Commission 2009b, 85). The controls were highly restrictive, although broadly in line with the Australian States.

The period from 1900 to World War One was one of further tightening. In the first decade of the century, local option ballots saw 12 licensing districts go dry by voting no licence (Christoffel 2006, 122 & 209; Ringer 1991, 151). The first significant legislative change was the *Licensing Amendment Act 1910*, which introduced the question of national prohibition to the triennial poll at each General Election. The requirement for a three fifths majority to go

dry was retained and the requirement for the question of restoration to be put every three years in dry areas with a three fifths majority to overturn (Malton-Murray and Cocker 1930, 152; ALAC 2012, 14; Bollinger 1967, 47; Law Commission 2009b, 12). However, the local reduction question was removed (Malton-Murray and Cocker 1930, 152; Ringer 1991, 151). The impact of these changes was to effectively change the polls from local prohibition to national prohibition. There were other restrictions imposed by the Act. Firstly, the MLDA was increased from 18 to 21 years (ALAC 2012, 14; Christoffel 2006, 201; De la Mare 1981, 33; Malton-Murray and Cocker 1930, 152). Secondly, closing times shifted from 11pm to 10pm (ALAC 2012, 14; Christoffel 2006, 135; Malton-Murray and Cocker 1930, 162). Thirdly, take-away liquor licences were abolished (ALAC 2012, 14; Malton-Murray and Cocker 1930, 152). Fourthly, the employment of women in bars was banned except for members of the licensee's family and any already employed. This was supported by the temperance argument that attractive barmaids were a way to entice men into public bars (ALAC 2012, 14; Bollinger 1967, 56; De la Mare 1981, 33; Law Commission 2009b, 11). To confirm the puritanical streak music, dancing and entertainment were also banned (Christoffel 2006, 16). The legislation stopped local option in favour of a national vote, and made hotels even more austere and male dominated.

World War One signalled an increased focus on efficiency and sacrifice. In 1916, the Government banned the "shout" (Bassett 1998, 143). But the two biggest changes were the introduction of early closing and the General Licensing Poll. Upon the recommendation of the National Efficiency Board, the *Sale of Liquor Restriction Act 1917* was passed, which reduced the hours of sale to between 9am and 6pm. The Act stipulated that six o'clock closing would remain for the duration of the war and six months after (Malton-Murray and Cocker 1930, 153; De la Mare 1981, 36; Bollinger 1967, 55; Bassett 1998, 143; ALAC 2012, 14). However, the *Licensing Amendment Act 1918* repealed this end date and six o'clock closing was made permanent (Christoffel 2006, 18 & 138; De la Mare 1981, 36; Malton-Murray and Cocker 1930, 153). Six o'clock closing lasted for fifty years and had similar impacts on drinking culture as the Australian States. The *Licensing Amendment Act 1918* also included a special national licensing poll to be held in April 1919. This poll was to be decided on a bare majority (rather than three fifths) on the question of whether national prohibition was to be introduced with compensation for the industry. If this poll was unsuccessful then subsequent polls (known as the General Licensing Poll) would be held at each general election with three options: continuance, state control, and national prohibition

without compensation – a majority of votes would be required to carry either state control or prohibition (Christoffel 2006, 73; De la Mare 1981, 37; Malton-Murray and Cocker 1930, 153-4). The removal of local option halted the reduction of licences and the new poll split the prohibition vote by the state control question. The special licensing poll in April 1919 was very close, and it was only the overwhelming vote of servicemen that stopped national prohibition by just hundreds of votes (Bassett 1998, 143; Christoffel 2006, 71; De la Mare 1981, 37). Availability controls introduced during World War One were highly influential.

From 1919 to the end of World War Two, there was a gradual reduction in focus on availability controls. General Licensing Poll results moved away from prohibition and dry electorates began to vote for restoration, such as Ohinemuri in 1925 (De la Mare 1981, 40). While new dry areas could not be created, electoral boundary redistributions meant that a number of new suburban dry areas were created. For example, no-licence electorates in Auckland doubled after the creation of new electorates in 1918 and 1928 (Christoffel 2006, 80). Dry electorates remained despite minority votes (it required a three fifths majority to restore licences) in Invercargill, Masterton and Mātaura after 1925. From 1935 it was only the suburban electorates of Auckland and Wellington, and one rural electorate (Oamaru) that continued to support no licence through majority votes (Christoffel 2006, 210). The Government faced a challenge in 1943 when Invercargill voted to restore licences (De la Mare 1981, 40). Bassett argued that the Government considered competition to be the cause of problems and introduced municipal control through a committee that would distribute profits in the local area (Bassett 1998, 242). The *Invercargill Licensing Trust Act 1944* gave legislative backing for this experiment in municipal control through an elected trust, and was followed by Masterton in 1947 when that district voted for restoration (ALAC 2012, 14; Ringer 1991, 151). There was never any experiment with state or municipal control in Australia.

After World War Two there was a continuation of strict controls and close oversight of availability. The legacy of local option was still significant. When the boundaries were frozen in 1945, more than 40% of Aucklanders lived in dry areas (Christoffel 2006, 213). The existing availability controls had resulted in problems with regard to licence distribution and hotel standards. The *Licensing Amendment Act 1948* created a new Government authority – the Licensing Control Commission (LCC) – as a central authority (ALAC 2012, 15). The LCC was responsible for reviewing the distribution of licences and supervising

district licensing committees. The Act also aimed to improve standards within licensed premises (Ringer 1991, 151; ALAC 2012, 15; Stewart and Casswell 1986, 19) and removed discrimination based on race (Christoffel 2006, 203; Hutt 1999, 72; Law Commission 2009b, 85). This put Maori on the same footing as Europeans and Maori electorates started to vote in the General Licensing Poll from 1949 (Hutt 1999, 73). In 1954 the King Country voted for restoration (Hutt 1999, 107). The *Licensing Trusts Act 1949* encouraged the establishment of trusts by giving local areas the option to establish trusts when a dry area voted for restoration (ALAC 2012, 14; Bollinger 1967, 114; Christoffel 2006, 76; Ringer 1991, 151). Temperance attitudes remained strong, a 1949 referendum to end six o'clock closing failed (Bassett 1998, 255; Christoffel 2006, 76). The prevalence of dry districts, municipal control through trusts, and an expansive government entity to oversee licences and hotel standards were areas where New Zealand differed from Australia.

From 1960 to 1985 there was a gradual freeing up of restrictions and the *Sale of Liquor Act* was amended 22 times (Casswell and Stewart 1986, 14). In 1960, it was amended to allow the sale of wine in restaurants (Bassett 1998, 357; Casswell and Stewart 1986, 14). In 1961, a new tavern licence was introduced that decoupled hotels from the provision of accommodation, prior to this every hotel was required to have accommodation for travellers (Christoffel 2006, 115-9; Casswell and Stewart 1986, 14). The *Sale of Liquor Act 1962* reversed one of the most puritanical laws when barmaids were finally allowed to work again in hotels (Bollinger 1967, 56; Law Commission 2009b, 11). The LCC was important during the 1960s, not only did it determine whether new licences were “necessary or desirable”, but also undertook reviews of licensed premises to improve appearance and cleanliness (Bollinger 1967, 180; Law Commission 2009b, 146; Stewart and Casswell 1986, 19). In 1967 six o'clock closing was finally removed after a referendum – a restriction originally intended to be temporary but lasting for 50 years. The referendum result was decisive, with a two to one majority supporting the end of six o'clock closing. This brought an end to the “six o'clock swill” – supposedly part of New Zealand drinking culture – but actually a result of early closing (ALAC 2012, 15; Bassett 1998, 357; Casswell and Stewart 1986, 14; Christoffel 2006; Law Commission 2009b, 13; Malpass 2011, 3; Stewart and Casswell 1986, 19). In 1969 the MLDA was reduced to 20 years of age, nearly 60 years after it had been lifted to 21 (ALAC 2012, 15; Bassett 1998, 357; Casswell and Stewart 1986, 14; Christoffel 2006, 201). By 1974, dry areas were confined to suburban Auckland and Wellington (Christoffel 2006, 123). From 1977, sports clubs could apply for licences, restaurants could be issued with

BYO permits, and hotels could open until 11pm on Friday and Saturday (Casswell and Stewart 1986, 14; Christoffel 2006, 128). By the time the Lange Government took power in 1984, controls were still tighter than Australian States with: a General Licensing Poll, needs tests on new licences (see next paragraph), numerous suburban dry areas, no Sunday trading, MLDA of 20, Licensing Trusts, and a tight licensing process. What followed was a radical and rapid departure that saw availability controls deregulated.

The Lange Government introduced reforms to reduce the scope and cost of government. For availability, the reforms of 1989 were dramatic. By this time alcohol was still the subject of high levels of regulation, much of which could be traced back to the late 19th and early 20th centuries. While the *Sale of Liquor Industry Act 1989* was modest when compared with other radical overhauls during this period, Christoffel argued that “such criticisms overlooked the fact that the Act overthrew almost every principle that had been the foundation of liquor legislation for over 100 years” (Christoffel 2006, 23). The 1989 changes removed the requirement for new licences to be “necessary or desirable”, referred to as the needs test. This meant that licences could no longer be declined on the basis of how many outlets were already in the area or whether the local community wanted one (Christoffel 2006, 131; Law Commission 2010, 117-41; Law Commission 2009b, 122-5). After 1989, many considered the granting of a licence to be “almost automatic” (Law Commission 2009b, 14; Malpass 2011, 18; ALAC 2012, 16). The Act abolished the General Licensing Poll, a feature of general elections since the late 19th century and unchanged since 1919. The last Poll was held in 1987 (Law Commission 2009b, 12; Christoffel 2006, 79; Ringer 1991, 152). Hours of operation were no longer specified and became a discretionary licence condition. In residential areas they were usually around 11pm on weeknights and midnight or 1am on weekends (Law Commission 2009b, 141). For the remaining eight dry areas, the Act abolished three of the four special dry areas and reduced the threshold for restoring licences to 50%. By 1999 all dry areas had restored licences (Christoffel 2006, 124; Ringer 1991, 152). The Act removed any requirement for hotels to provide accommodation, something enshrined in legislation for over 100 years (Christoffel 2006, 121). Types of outlets were also extended with supermarkets and grocery stores able to sell wine (not on Sundays) (Casswell and Maxwell 2005, 125; Casswell and Stewart 1986, 21-2; Christoffel 2006, 131; Law Commission 2010, 116; Law Commission 2009b, 14). Monopoly rights of Licensing Trusts could be challenged through a “competition proposal”, whereby 15% of the electorate could file a written request for a poll and a majority of voters at the poll must vote for

competition (Law Commission 2010, 247; Law Commission 2009b, 153). The LCC was replaced by the Liquor Licensing Authority (LLA) and District Licensing Agencies (DLA), one in each territorial authority. The LLA had a reduced role compared to the LCC and the DLAs took responsibility for inspecting premises (Law Commission 2009b, 114-46; Ringer 1991, 152). The 1989 Act did not sweep away every temperance era regulation, but it was the most radical deregulation of availability controls in New Zealand history.

The *Sale of Liquor Amendment Act 1999* completed the overhaul of availability controls. Hotels and off-premise outlets had Sunday restrictions removed and could trade seven days a week (ALAC 2012, 16; Law Commission 2010, 116). Supermarkets could sell beer (in addition to wine), although spirits remained the domain of hotels and specialty liquor outlets (ALAC 2012, 16; Casswell and Maxwell 2005, 125; Law Commission 2010, 166; Law Commission 2009b, 15). After being rejected in 1989, the MLDA was reduced to 18 and brought New Zealand into line with Australia (ALAC 2012, 16; Christoffel 2006, 201; Easton 2002, 47; Law Commission 2009b, 15; Casswell and Maxwell 2005, 123). Restrictions on operating hours were further loosened and the licensing process became simpler with DLAs considering simpler and unopposed applications (Casswell and Maxwell 2005, 125; Law Commission 2009b). The changes in 1989 and 1999 made New Zealand availability controls less restrictive than the Australian States.

New Zealand availability controls from 1900 to 2010 displayed a distinctive character. They effectively froze the number of hotels, dry areas covered a large minority of the population, there was a national referendum at every general election, and there was nationwide early closing (Christoffel 2006, 1). These controls proved to be extremely resilient, yet they were pushed aside rapidly during the 1980s and 1990s. While the Australian States also had tight controls, it was almost impossible to open a new liquor outlet in New Zealand from the 1890s to the late 20th century (Christoffel 2006, 97). Combined with six o'clock closing, hotels were overcrowded as drinkers fought to consume as much alcohol as they could (Bollinger 1967, 4). There was a poor dispersal as the population shifted, with some areas having sufficient outlets but a critical shortage in suburban areas (Casswell and Stewart 1986, 19; Christoffel 2006, 97). There was the capacity for the industry to keep new entrants out (ALAC 2012, 14) and for the new suburban population to oppose new licences and protect their property values. In the early 20th century dry districts were all in the rural and heavily Presbyterian South Island, but by the 1960s they were confined to the suburbs of Auckland

and Wellington (Christoffel 2006, 124). But what makes New Zealand availability controls unique was the dramatic and rapid deregulatory shift in the late 20th century (Christoffel 2006, 23; Law Commission 2010, 97; Law Commission 2009b, 96). Availability controls had two periods of rapid and significant change that dwarfed changes in the Australian States. Undoubtedly the political institutions that concentrated power in the New Zealand executive, compared to Australia, were a party of this capacity for rapid and transformative change.

Drink-Driving Countermeasures

Compared to the strong drink-driving countermeasures introduced in Australia, New Zealand was slower and less comprehensive. New Zealand introduced legislation from the 1960s, starting with a BAC (.08) in 1966 and voluntary blood testing. This resulted in over 1,000 drink-driving convictions in 1967 (Christoffel 2006, 191). In 1969 two stage testing was introduced, breathalyser screening and compulsory blood testing. Then random screening, evidential breath tests and drink-driving blitzes all commenced in the 1970s. As a result, the number of convictions continued to rise and hit 9,500 in 1975 (Christoffel 2006, 191). With a BAC of .08 and the beginnings of a comprehensive testing regime in place, New Zealand was in a similar position to Australia. However, while the Australian States introduced .05 and RBT during the 1980s, New Zealand did not.

In the 1990s there were some countermeasure initiatives. In 1993, compulsory RBT was introduced, well after the last Australian State had introduced it (RACP 2005, 63-4; Casswell and Maxwell 2005, 129). The rate of testing was moderate. By 2004 46% of New Zealanders had reported being stopped for a test, while 82% of Australian drivers had reported being stopped in 1999 (Casswell and Maxwell 2005, 130). Also in 1993 a lower BAC for drivers under the age of 20 years (.03) was introduced, still above the comparable BAC in Australia. There was also the 1998 introduction of an immediate 28 day suspension of licence for a high breath test reading. And in 2005 tougher penalties for serious and repeat drink-drivers were introduced, as well as a lower BAC for immediate licence suspension (Casswell and Maxwell 2005, 129). Despite the higher BAC, The Ministry of Transport noted in 2010 that 1 in 85 drivers tested exceeded the legal limit. This compared with 1 in 150 drivers in Australia, where the BAC was .05 (Ministry of Transport 2010, 30). Punishments were also weaker than the Australian States. In 2010 the maximum fine for

drink-driving causing death or injury was 5 years' imprisonment, compared to 14 years in NSW and 20 years in Victoria (Ministry of Transport 2010, 33).

When Australia began to seriously tackle the issue of drink-driving, New Zealand either failed to introduce measures, or introduced them later and in a more limited way. The two most significant policy measures in Australia were reducing the BAC to .05 and establishing a comprehensive RBT regime. Against both measures, New Zealand was less comprehensive. New Zealand had the same BAC as the United Kingdom, United States, Ireland and Canada. But Australia, Japan and most of Europe had .05 or lower (Casswell and Maxwell 2005, 129; Law Commission 2009b, 205). The Ministry of Transport and the Law Commission made recommendations to reduce the threshold to .05 (Kypri et al 2011, 431; Ministry of Transport 2010, 3). But by 2010 the Government had cited a lack of evidence to do so (Kypri et al 2011, 431). Drink-driving countermeasures in Australia and New Zealand highlighted how, despite similar research evidence and ideas, jurisdictions pursued very different approaches. Although they followed a similar course up until the 1980s, from this point Australia pursued sweeping reforms, while New Zealand's were modest.

Treatment

Alcohol treatment developed in a similar pattern to Australia and the initial focus was on institutionalisation and dealing with alcoholics or drunks through the criminal justice system. From the late 19th century, inebriates legislation was in place for admission to public mental institutions (RACP 2005, 19). The *Reformatory Institutions Act 1909* made provision for institutions for inebriates and habitual drunkards that were separate from lunatic asylums. They were either hospitals or institutions under the control of a Charitable Aid Board and could receive inebriates in a range of circumstances. They were run along the lines of a prison or a lunatic asylum, it was an offence to escape or leave without approval (Reformatory Institutions Act 1909).

New approaches came after the Second World War. AA started in 1946 and held its first meeting in 1947 in Auckland. By 1951 there were six groups operating, with a membership of about 60. AA's popularity grew and by 2010 there were about 4,000 members and 400 groups (Alcoholics Anonymous New Zealand 2014). The New Zealand Society on Alcohol and Drug Dependence (NSAD) was a charitable foundation established in 1954 that was

important in the development of alcohol treatment services. NSAD worked closely with AA throughout its history and also become an advocate for better treatment services (National Society on Alcohol and Drug Dependence 2014). Until 1968 it was known as the National Society on Alcoholism (NSA) and solely concerned with prevention and education. However, after this time it became involved in the provision of clinical treatment (National Society on Alcohol and Drug Dependence 2014).

In 1976, the approach changed with the establishment of ALAC, which was funded through a levy on alcoholic beverages. An early activity for ALAC was to fund treatment services that were largely residential programs provided by the Salvation Army and NSAD (Ashton and Casswell 1986, 19; RACP 2005, 27). Within the Government health system, alcohol and drug assessment centres were established within the 14 hospital boards. By 1982, over 4,000 people were being referred to these per year in addition to over 2,000 being treated by voluntary agencies (ALAC 1983, 3). By the early 21st century there were specialist treatment services available through the public health system and 158 treatment services available for people experiencing problems (Ministry of Health/ALAC 2000, 10; Casswell and Maxwell 2005, 420).

In the early 21st century, reports identified significant failings with the system of treatment for people experiencing problems with alcohol. There was consensus that the potential for brief interventions in either a primary care or community setting were underutilised (Casswell and Maxwell 2005, 426; Law Commission 2009b, 207; Ministry of Health/ALAC 2000, 40). Similarly, the need for better screening and assessment for people with alcohol related problems was identified (Casswell and Maxwell 2005, 427; Law Commission 2009b, 207). There were similarities in the approaches in both countries, although the New Zealand approach appeared to be somewhat less comprehensive.

Advertising Controls

Alcohol advertising controls were very different in New Zealand. Whereas the Australian Broadcasting Corporation developed alongside commercial television and radio stations, in New Zealand the state controlled and operated electronic media directly through the New Zealand Broadcasting Corporation. Prior to 1980, alcohol advertising in electronic media was regulated by statute and brand or corporate advertising was not allowed, although outlets

selling alcohol could be advertised (ALAC 2003, 1; Casswell and Martin 1986, 19; Law Commission 2010, 322). Major changes occurred in 1987 when a new television station was approved which was reliant on advertising revenue. Funding changes also meant that public broadcasters were placed under increasing pressure to attract advertising revenue (ALAC 2003, 2; Casswell et al 1993, 11; Law Commission 2010, 322). The involvement of the state in the electronic media occurred to a far greater extent in New Zealand and this had a significant impact on the regulation of advertising.

Strong policy interest in the issue emerged from the 1974 Royal Commission into Liquor. The Commission recommended a voluntary code on alcohol advertising, leading to the establishment of a Committee on Advertising Practice. This Committee administered the first code which applied to print media only as electronic media advertising was legislated (ALAC 2003, 1; Casswell and Martin 1986, 21 & 36). In 1980, changes were made to allow electronic media to use 'in house' rules of the New Zealand Broadcasting Corporation, effectively a voluntary code no longer required to be amended by Parliament (ALAC 2003, 1; Casswell and Martin 1986, 19; Law Commission 2010, 322). Through the 1980s, the rules only allowed advertising of outlets and services, not companies or brands. Compliance was shared between a statutory body (the Broadcasting Standards Authority) and an industry body (the Advertising Standards Authority) (Casswell and Martin 1986, 19; ALAC 2003, 2).

From the early 1990s there were major changes to alcohol advertising regulation. In 1991, the Broadcasting Standards Authority conducted a formal review and two significant changes followed. The first was the lifting of the ban on alcohol brand advertising after 9pm (ALAC 2003, 3; Casswell et al 1993, 11; Easton 2002, 47; Law Commission 2010, 344). The second was that responsibility for regulating alcohol advertising was given to the media and advertising industry body, the Advertising Standards Authority (ALAC 2003, 2; Casswell and Maxwell 2005, 131; Law Commission 2010, 323 & 344). The Authority was also responsible for reviewing the Code and two reviews in the 1990s recommended minor changes to strengthen the Code (ALAC 2003, 2; Law Commission 2010, 344). Another review in 2003 led to refinements to the restricted advertising time (from 9pm to 8:30pm) and incorporated greater harmonisation between Australia and New Zealand (Casswell and Maxwell 2005, 131; Law Commission 2010, 344). The Code for Advertising Liquor applied to all members of the Authority including advertising agencies, magazine and newspaper publishers, television, cinema, outdoor advertising and radio (Law Commission 2010, 332).

Despite a divergent history of electronic media, the approach to regulating alcohol advertising was similar to Australia by 2010.

Following advertising of alcohol brands being allowed on electronic media from 1991, there was an immediate spike in advertising expenditure by the liquor industry. Prior to the changes, expenditure was less than \$5m per annum. By 1999, it was over \$45m (Casswell and Maxwell 2005, 131). During the 1990s Canada, Denmark and Finland all followed New Zealand by eliminating bans on alcohol advertising. However, France introduced stringent new laws restricting advertising of alcohol (“Loi Evin”) in 1993 (Saffer and Dave 2002, 1325). The Law Commission noted that self-regulation was common around the world, although they argued that self-regulation tended to be under-interpreted and under-enforced. They also recommended the longer term banning of alcohol advertising and sponsorship (Law Commission 2010, 359-60).

National Alcohol Policy

Despite having a unitary government, a national alcohol policy came relatively late in New Zealand and had little impact on alcohol control. Whereas Australia finalised a national drug policy in 1985 and national alcohol strategy in 1989, progress in New Zealand was much slower. In 1996, the Government released a national policy statement on alcohol as part of its National Drug Policy (NDP) (Ministry of Health/ALAC 2000, 2). The NDP identified priority areas for action; two were related to alcohol including limiting the harms of alcohol use, and the reducing hazardous consumption (Ministry of Health/ALAC 2000, 19-20).

The only New Zealand National Alcohol Strategy (NAS) commenced in 2000 for the period 2000-2003. There was little published research regarding the negotiation of the NAS, but the final document was a joint product of the Ministry of Health and ALAC. The stated aims reflected a harm minimisation approach, not to prevent alcohol use but to minimise the harm associated with its use. The NAS promoted itself as a comprehensive approach to dealing with alcohol related harm beyond the areas highlighted by the NDP (Ministry of Health/ALAC 2000, 21). It included a range of priority areas and targets for levels of consumption and alcohol related harm, including reducing: drinking among pregnant women, binge drinking among vulnerable groups, drink-driving crashes, alcohol related crime, and alcohol related injuries (Easton 2002, 16). Similar to Australia, the NAS did not include

taxation (Easton 2002, 17; Ministry of Health/ALAC 2000, 34). The NAS had many similarities to the Strategy developed across the Tasman, although it was developed much later. In 2005 the College of Physicians and Psychiatrists discussed how New Zealand would develop a new NDP for the period 2005-2010 and that a new NAS would follow (RACP 2005, 21). A new NDP was agreed for the period 2007-2012 that discussed action plans that may be developed under its auspices; the NAS was an example (MCDP 2007, 13). However, as at 2010, there was still no second NAS developed. This perhaps reflected on the effectiveness of the 2000-2003 NAS.

6.5 Conclusion

This chapter has highlighted that New Zealand alcohol control contained some unique features that set it apart from Australia. This was reflected when assessing research on New Zealand alcohol control, which contained numerous gaps. There was little research focus on areas not contested or where there were no significant reforms – including drink-driving countermeasures, treatment and the national alcohol policy. Researchers have focused attention on the most contested areas of policy and there was little interest in areas of stability or status quo. This was why availability controls received significant research focus, because they experienced such significant and rapid reforms and unique policy developments, and were hotly contested. These things combined to make New Zealand availability controls of significant interest in broader political research and formed a part of general texts on politics. In particular the unique General Licensing Poll rated a strong mention in New Zealand political history.

There was a significant divergence in alcohol control policy between New Zealand and Australia. From late in the 19th century the New Zealand Government started introducing strict availability controls that further accelerated in the early twentieth century. While the Australian States also included strong availability controls, New Zealand governments took them to a different level. The controls were tighter and: reduced the number of licensed premises dramatically through local no-licence and reduction, focused national attention on Prohibition at each General Election, reduced hours and days of operation through six o'clock closing and bans on Sunday trade, and made hotels even more Spartan through bans on entertainment and barmaids. The period between 1910 and 1919 was particularly dramatic as

the height of the temperance movement and World War One converged. Many of the restrictions were “locked in” and lasted well into the twentieth century, despite the social changes that occurred. By the 1980s, availability controls were much tighter than the Australian States and yet they were blown away in a short period from the late 1980s onwards. This meant that twenty-first century availability controls were less stringent than the Australian States. New Zealand availability controls also demonstrated a greater reliance on the state. In addition to New Zealanders being asked at every General Election for 60 years whether they wanted state control of the liquor trade, the country implemented municipal control through Licensing Trusts that were still in existence at the end of the period, and also had stronger bureaucratic control of the trade through organisations like the LCC. This history of state involvement also impacted on advertising controls. The electronic media was owned and operated by the state for a long period in New Zealand which meant no brand advertising. This unsurprisingly had a significant impact on the policy approach to alcohol advertising controls, which took a different path to Australia. Although the advertising controls at the end of the period were very similar to those in Australia.

The extreme focus on availability controls crowded out other areas of alcohol control policy that received less focus and reforms than Australia. Drink-driving countermeasures, treatment and the national alcohol policy were all limited in New Zealand. The approach to drink-driving was to introduce more modest reforms and much later than Australian States with: a higher BAC, a less stringent RBT regime, and less severe penalties. Similarly, the first national alcohol policy was over ten years after Australia's, had little content of relevance, and was not revised. Given the number of Royal Commissions and formal reviews of alcohol policy it is possibly no wonder that a national alcohol policy struggled to gain traction. The approach to alcohol taxation also diverged from that of Australia. New Zealand alcohol taxation was generally lower than Australia but included some very significant reforms such as the ALAC levy, doubling of excise in 1921 and 1958, and moving to a system of tax based on content for all beverages – things never achieved across the Tasman.

New Zealand alcohol control policy showed a number of characteristics that differentiated it from the approach in Australia. New Zealand had big changes in policy direction (especially in the 1910s and 1980s) that left ongoing legacies. Some areas of policy had a dramatic public debate and focus and rapid transformative changes that were never achieved in

Australia. Other areas had little policy attention and modest reforms, and there was a general reliance on the state to control alcohol. The next chapter will trace some of the influencing factors on New Zealand alcohol policy: institutions, actors, and ideas. This will target the areas for further attention to assist in explaining this divergence between Australian and New Zealand alcohol controls.

Chapter 7 Explaining the trajectory of alcohol policy in New Zealand

7.1 Introduction

In the previous chapter alcohol control policies in New Zealand from 1900 to 2010 were described, including the periods of stability and change. This chapter will turn to the influencing factors and how they combined to shape the course of New Zealand alcohol control policies. Although ideas, socio-economic conditions, and actors combined to shape the policy environment; the key factor was New Zealand's institutions. New Zealand's political institutions were a unique combination of concentrated power in the executive and institutions designed to outsource the alcohol control decision making to the people, investigative bodies, and the conscience of parliamentarians. With a strong tradition of using the powers of the state, institutions shaped an unpredictable and sometimes chaotic alcohol control policy environment. Times of external crisis stimulated major policy changes that were supported and facilitated by these institutions. New Zealand also embraced and implemented international ideas to a greater extent than almost any other nation at the beginning and end of the twentieth century. These periods bookended a century where New Zealand was one of the most isolated environments in the world where the ideas from the early 20th century remained dominant, and therefore developed unique domestic approaches to alcohol control policy that attempted to freeze in time the laws of the early 20th century. The ideational stability during much of the twentieth century was matched by policy stability. This was caused largely by feedback and lock-in effects, demonstrating how policy legacies were a strong institutional force and structured the aims and strategies of policy actors, and the course of national policy development. Indeed, this chapter will demonstrate that policy legacies were probably the most important institutions in driving the policy divergence between the two countries.

Whereas Australia incorporated new ideas about alcohol relatively seamlessly, New Zealand embraced some ideas wholeheartedly but provided little opportunity for others to influence policy outcomes. Two ideas in particular impacted on New Zealand public policy: a high acceptance of the use of the state, and an extraordinary ideational consensus around neo-liberal ideas in the 1980s and 1990s. This chapter will show that temperance ideas about

alcohol held sway for a significant period during the early 20th century and had a major impact on alcohol controls when combined with ideas that prevailed during World War One such as national efficiency. Temperance ideas then remained longer than in Australia, largely because of the feedback from the General Licensing Poll every three years. Ideas that saw alcohol as a disease had only a short window of influence when compared to Australia. This chapter will show that both alcoholism and harm minimisation ideas had far less influence as the more rigid New Zealand system was able to provide greater longevity and influence to some ideas while starving others. However, this chapter will show that there was one set of ideas that had strong influence throughout the period – the state could and should be used to influence the economy and society. These combined with neo-liberal ideas and political institutions that concentrated power, to provide the ground for dramatic reforms to New Zealand alcohol controls later in the 20th century. This chapter will also demonstrate that social and economic conditions were influential. The two world wars and the Depression of the 1930s helped to shape New Zealand alcohol controls in the first half of the 20th century. They provided opportunities or impediments for particular policy initiatives. This chapter will argue that the “perfect storm” of conditions, ideas, actors and institutions all served to facilitate dramatic reforms to alcohol controls in the 1980s under the Lange Government. The development of New Zealand alcohol control confirmed the HI idea developed by Steinmo (1989) that political systems in which power is concentrated will feature periods of stability punctuated by rapid change.

The range of alcohol control policy actors in New Zealand was similar to Australia, but their structure, goals and strategies were different – influenced by domestic institutions. For most of the 20th century, the two most significant actors were the temperance movement and the alcoholic beverages industry. This chapter will argue that the influence of these groups was greater than in Australia. The structure of both groups diverged, whereas in Australia they had State based structures and little or no national presence, they were organised nationally in New Zealand. This was because the key policy tool was availability, where Australian States had jurisdiction but the national Government had responsibility in New Zealand. It was not just actor structure that diverged. This chapter will show that the New Zealand temperance movement had a greater focus on achieving Prohibition through a national poll than in Australia. This was shaped by institutions – the legacy of holding local option polls at each General Election encouraged temperance to steadfastly pursue a General Licensing Poll. When it was in place, the Poll had a strong shaping effect by providing the temperance

movement with a platform every three years. This allowed the temperance movement to have greater strength for longer than in Australia. This chapter will also show that the “Presbyterian and Publican” coalition that was evident in Australia was even stronger in New Zealand. This coalition helped to ensure that New Zealand availability controls (especially those that constrained new market entrants) were more rigid and change resistant for many decades. While Australian availability controls experienced regular and incremental changes, the powerful coalition in New Zealand led to comparative rigid stability. This was because the policy legacies provided strong incentives for the two powerful groups to work towards the same ends, despite having massively divergent views towards alcohol. As well as policy legacies that strengthened these actors, other political institutions such as the referenda, the Royal Commission and the conscience vote all gave Governments an escape valve that they used for the consideration of alcohol control issues. It was only later in the 20th century that other actors were active in alcohol control, although they had less influence than their counterparts in Australia. This chapter will demonstrate that the influence of actors was heavily shaped by institutions, both political institutions and policy legacies.

New Zealand’s institutions diverged from Australia in many respects and they had a strong influence on the divergent alcohol control policies. This chapter will show that New Zealand’s political institutions had many different characteristics that concentrated power in the hands of the executive, including: no formal written constitution, a limited role for the judiciary, a unitary system, and a single house of Parliament (effectively until 1951 and formally after). These institutions gave New Zealand Governments the power to make significant changes to public policies with few checks. This was contrasted with the Australian system where there were many checks on the power of the Executive, not least of which the federal system that divided power and authority between the Commonwealth and the States. This chapter will also argue that the New Zealand state and bureaucracy had greater capacity and willingness to regulate the society and economy. Yet despite this significantly greater concentration of power, for many decades alcohol controls remained rigid. The polarised nature of debates in the early 20th century encouraged political parties to remove themselves from these issues and leave alcohol matters to the individual conscience of parliamentarians. This chapter will show that successive New Zealand Governments avoided parliamentary debates on alcohol by referring matters to the “people” through the General Licensing Poll (and other polls), or to independent reviews through Royal Commissions or Committees. The polls were structured in such a way that change was

seldom achieved, which meant that the only changes were achieved after the rarely held Royal Commissions. Yet when there was political will and supportive independent reviews, massive changes were made at particular points in time because of the significant concentration of power in the executive. In the 1980s the institutions that had shaped stability for many decades were turned to the task of reform with great success. It will be argued that New Zealand institutions, including and especially policy legacies, had a significant influence on the role that actors and ideas played in shaping the course of national alcohol policy development.

7.2 Pre 1900 influences

Just like in Australia, the most significant actor group in the 19th century was the temperance and prohibition movement. Temperance took on a significant role in New Zealand. While the original strategy of these groups was moral suasion, it quickly moved to political action (like it did in Australia). In 1853, the first group seeking a prohibitionist policy started in Auckland and Dunedin – the Maine Law League (Christoffel 2006, 34). From the 1870s the temperance movement gained strength and changed its aims to prohibition. It incorporated lodges and organisations whose members were passionate about ridding New Zealand of the influence of liquor (De la Mare 1981, 12). Churches increasingly put their organisations at the disposal of the prohibition cause, especially in heavily Presbyterian and non-conformist Christian areas such as Otago (Bollinger 1967, 31; Malton-Murray and Cocker 1930, 170). The societies were heavily influenced by groups from Britain and the United States. The Independent Order of Rechabites established in 1843 in Nelson and in the 1850s in Wanganui, before spreading throughout the country in the late 1860s with its message of total abstinence (De la Mare 1981, 12; Malton-Murray and Cocker 1930, 188). In 1872, the International Order of Good Templars established in Invercargill and it soon grew throughout New Zealand, with membership of over 7,000 in 1876 (Malton-Murray and Cocker 1930, 192-6; De la Mare 1981, 12). In 1871, the Sons and Daughters of Temperance set up in Otago, as well as the first Temperance Benefit Society (Malton-Murray and Cocker 1930, 198). These organisations grew and became established throughout New Zealand during the 1870s (De la Mare 1981, 12; Christoffel 2006, 35). Moral suasion remained important and the Blue Ribbon Army established in 1885 as a way for total abstainers to proudly identify

themselves (De la Mare 1981, 13). However, it was in the 1880s that the most powerful and political organisations, the WCTU and the Alliance, established themselves.

In 1885 an American activist, Mary Clement Leavitt, visited New Zealand and established the WCTU. Leavitt spent seven years travelling the globe as an envoy, and her tour also led to the establishment of the WCTU in Australia (Christoffel 2006, 35; Malton-Murray and Cocker 1930, 174). The WCTU became a powerful advocate for prohibition and was political in its aims and strategies (Christoffel 2006, 35; Law Commission 2009a, 21). However, the temperance forces were still fragmented. Just as Alliances of temperance interests formed in the Australian colonies, the New Zealand Alliance for the Abolition of the Liquor Traffic was formed in 1886 (Bollinger 1967, 34; Christoffel 2006, 36). Unlike the WCTU, which had a range of advocacy issues, the Alliance was a single issue organisation and it had a formidable reputation for lobbying (Christoffel 2006, 36). The former Premier, Sir William Fox, was the first President. The main objects were to prohibit the sale of liquor through a direct vote of the people, to return anti-liquor parliamentarians, and to educate and inform the people of the benefits of prohibition (De la Mare 1981, 14; Bollinger 1967, 35). The Alliance established a Secretariat in Wellington, appointed a Parliamentary Secretary to lobby for prohibition, and employed permanent organisers chosen for their dedication to the cause and ability as public speakers. The Alliance was highly aggressive in lobbying and ensured that restrictive regulations were high on the public and parliamentary agenda (De la Mare 1981, 14-5).

The strategies of the movement shifted from the 1870s and they became a powerful political and social force (Bollinger 1967, 31). The 1881 Act gave prohibitionists increased opportunities to involve themselves in the licensing process and they filled district licensing committees with members (De la Mare 1981, 22 & 56). By the 1890s, the movement was using active political strategies such as lobbying and petitions to advocate for further restrictions. Just prior to the 1893 Act, the largest petition ever presented to a Parliament in Australia or New Zealand advocated direct veto by the public (Bollinger 1967, 37; Christoffel 2006, 68). Bollinger argued that the 1893 Act, with a popular vote on the issue every three years, made the prohibition movement a real political force and allowed liquor to become the biggest political issue of the day (Bollinger 1967, 38). Each election after 1893 gave the opportunity for the prohibition movement to ramp up activity levels. The Alliance strongly encouraged citizens to vote for reduction and no licence (Malton-Murray and Cocker 1930,

74). In the lead up to the 1894 election there were gatherings and processions in support of prohibition that included the Rechabites, the Alliance, the Good Templars and the Salvation Army (Malton Murray and Cocker 1930, 74; De la Mare 1981, 63). The 1893 legislation gave greater opportunity to achieve local prohibition through local option polls. These features helped to make the movement in New Zealand a more influential force.

The strength and influence of the prohibition movement on the political and public agenda meant that the industry formed their own organisations in response. Although Australian colonies had associations from the late 1830s, it was not until the 1880s that this occurred in New Zealand. They started in rural areas, especially where the prohibition movement was strongest (Bollinger 1967, 34). Until the late 19th century, the trade was dominated by publicans – like in Australia. However, Christoffel argued that several features increased the power of brewers. The ban on local distillation and favourable tariffs combined with the 1881 and 1893 legislation that put a virtual freeze on new pubs benefited New Zealand brewers. Similarly, brewers began purchasing hotels to ensure they would only sell their beer (Christoffel 2006, 44). In 1890, the Licensed Victuallers Association of New Zealand was formed to represent the interests of brewers, wine and spirit merchants, hotel keepers and owners (Christoffel 2006, 45). It was small wonder that they were formed, given how many of their number were deprived of a living after 1893 (De la Mare 1981, 68). While the strength of the trade increased, they were on the back foot when faced with a rampant prohibition movement at the turn of the 20th century.

7.3 Influence of Institutions

Chapter Two identified the important role that institutions play in setting the rules of the game with regard to public policy and Chapter Five outlined the mediating forces of domestic political institutions and policy legacies in Australia. Consistent with the findings of historical institutionalists outlined in Chapter Two, New Zealand had very different formal political institutions and a unique historical context of alcohol control policy making. These differences had an impact on the course of New Zealand alcohol controls. The key New Zealand institutions for alcohol control – as well as ideas, actors and socio-economic conditions – will now be identified, described and assessed.

Constitution

New Zealand did not have a formal written constitution per se. Instead there was a combination of statutes, decisions and conventions, with some elements in the *Constitution Act 1986* (Ladley in Miller 1997, 51; Gustafson in Levine 1978, 196; Ringer 1991, 55). New Zealand's arrangements concentrated power with: no division of powers between levels of government, no written constitution with which laws must comply, and no judicial review of the constitutionality of laws. Laws could not be struck down if they were deemed to not conform to constitutional principles. Similarly, there was no role for courts to act as umpire between different levels of government (Palmer 1987, 186). New Zealand's most important document was the Treaty of Waitangi; British sovereignty was declared after successfully negotiating the Treaty with Maori chiefs (Ringer 1991, 19). The Treaty attained importance because the chiefs ceded their sovereignty over the land in return for the same rights as British subjects (Wood in Levine 1978, 334). Palmer argued that the legitimacy of Government owed much to the Treaty and the undertakings given to the Maori by the Crown (Palmer 1987, 19).

New Zealand's constitutional arrangements were made by the Parliament, rather than requiring formal change through a referendum or judicial review, the two forms of amendment in Australia. From the 1850s, the colony had responsible government, although the Parliament was subordinate to the UK until 1947 (Jackson 1973, 18; Ringer 1991, 20-56; Palmer 1987, 2). The early colony had provincial governments with control and autonomy over alcohol regulation. However, they were abolished in 1876 and control granted to the central government in Wellington (Jackson 1973, 18). From 1900, there was a gradual path to independence. In 1907, New Zealand was declared a Dominion and self-governing for internal affairs, but trade and foreign relations remained under the control of Britain. In 1923 New Zealand gained the right to negotiate its own trade agreements. In 1931, the Statute of Westminster allowed the Dominions independence from the UK Parliament. This was adopted by Canada, South Africa and Ireland in that year (Ringer 1991, 21). But the New Zealand Parliament did not adopt it until 1947 (Palmer 1987, 2). The constitutional arrangements, and the method of their amendment, reflected a system where power was heavily concentrated. Palmer argued that this resulted in a system lacking the checks found in other countries (Palmer 1987, 219). A Bill of Rights was adopted in 1990, containing elements that constrained governments in their dealings with citizens. The provisions were a

consideration for the Law Commissions when making recommendations on alcohol control (Law Commission 2009b, 181; Law Commission 2010, 361). Compared to the dispersed and fragmented power arrangements in the Australian system, New Zealand's constitutional arrangements concentrated power in the Executive. Yet despite this, as argued in Chapter Six, for many decades there was rigid stability in New Zealand's alcohol controls when compared to those in Australia. This was because successive New Zealand Governments found "escape valves" to refer the often difficult alcohol control questions, in particular through the various referenda and polls.

Referenda and Polls

New Zealand used referenda to an even greater extent than Australia to resolve alcohol control issues. New Zealand held a total of 32 referenda during the period, with a total of 26 related to alcohol control, the highest in the world by some margin (Christoffel 2006, 62). The General Licensing Poll was held in conjunction with nearly every General Election for over 70 years and unlike most other referenda, the results were binding (Christoffel 2006, 65). The referendum was used to resolve liquor questions because it meant that governments were able to avoid taking a stand on a polarising issue (Jackson 1973, 58; Law Commission 2009a, 24). The strength of prohibitionists was on display at each Poll. With support of over 250,000 until the poll of 1966, few politicians risked alienating this many voters (Christoffel 2006, 94). Of all the referenda held in Australia, alcohol made up nearly 40%, shy of New Zealand at over 80% (Christoffel 2006, 64). Victoria and Western Australia also legislated for regular polls, yet both States subsequently scrapped them (Christoffel 2006, 65). The key difference was that New Zealand polls were held concurrently with General Elections, while Victorian and Western Australian referenda required a separate and specific poll. Christoffel argued that because support for local reduction and no licence was lower in Australia it gave governments the confidence to delay polls and provided less stimulus for regular prohibition polls (Christoffel 2006, 95). The rise of party politics and the prohibition movement meant that liquor could promote party disunity and therefore parties were happy for the people to decide the outcome (Christoffel 2006, 238). From the 1960s there was increased criticism of the need for referenda to deal with liquor (Bollinger 1967, 179; Christoffel 2006, 78). A 1978 survey of General Licensing Poll voters showed that a quarter of people were unaware that the referendum they had just participated in was about alcohol (Christoffel 2006, 79).

New Zealanders and their politicians bought into the idea that alcohol issues needed to be resolved through referenda.

Regular alcohol referenda were in place in 1900 through local option. These polls started in 1894 and each licensing district (electoral district) put the question of local continuance, reduction and no licence to voters at each General Election. In 1910 the local reduction option was removed and a national prohibition vote incorporated (Christoffel 2006, 100; Ringer 1991, 151). In 1918, local option was removed and replaced by a referendum on national prohibition, except in districts that had already voted dry (Jackson 1973, 59). Dry districts had the opportunity at each General Election to determine whether they wished to restore licences. The question was put with a three fifths majority required to restore licences (Malton-Murray and Cocker 1930, 154). Between 1925 and 1960 all rural no licence districts voted to restore licences, and no licence became a feature of the suburbs of Auckland and Wellington (Christoffel 2006, 90). The 1943 vote for restoration in Invercargill led to the Government deciding that the people should be given the opportunity to vote for municipal control, which resulted in the first Licensing Trust (Christoffel 2006, 74; Bassett 1998, 242). Following this, a successful restoration vote in a district was followed by another poll to determine whether there would be industry or municipal control of the trade (Jackson 1973, 59).

The General Licensing Poll was an important feature of New Zealand alcohol control. Of the 26 national referenda held on alcohol, 23 were related to national Prohibition (Christoffel 2006, 63). It was only the three fifths requirements that initially stopped Prohibition, gaining 55.8% support at the 1911 Poll (Bassett 1998, 143; Bollinger 1967, 79; De la Mare 1981, 33; Ringer 1991, 151). In 1918, the Government legislated for a special referendum in April 1919 and a new nationwide General Licensing Poll at each General Election. The April Poll provided for the introduction of permanent Prohibition by a majority with compensation to the trade and the General Licensing Poll introduced the third option of state control – prohibition and state control required a majority (Christoffel 2006, 71; Malton-Murray and Cocker 1930, 153; De la Mare 1981, 37). The state control option proved decisive and stopped Prohibition in 1919, 1922 and 1925 (Bollinger 1967, 79-87; Jackson 1973, 60). Both 1919 polls were extremely close with Prohibition failing by a small number of votes. At the General Licensing Poll in December 1919 the prohibition vote was 30,000 higher than continuance but the state control vote meant that prohibition failed by just 3,000 votes

(Christoffel 2006, 61-72; Ringer 1991, 151; De la Mare 1981, 39). The 1931 poll was postponed due to the economic circumstances. The following Parliament gave itself an extra year so the next poll was not until 1935 (Bollinger 1967, 84). The fall in Prohibition support between 1928 and 1935 was significant, to below 30% (De la Mare 1981, 40). Bollinger and Christoffel argued that the perceived failure of Prohibition in the United States also influenced the vote (Bollinger 1967, 84; Christoffel 2006, 88). Bollinger also argued that the seven year gap meant that Prohibition suffered a reduced profile (Bollinger 1967, 84). From a high of 55.8% in 1911, the Prohibition vote declined to less than 20% by 1966 (Bollinger 1967, 48).

By the 1960s there was popular support for removing the General Licensing Poll, but reticence from political leaders. The 1974 Royal Commission tentatively recommended a referendum on whether this should occur, a referendum on the removal of a referendum (Christoffel 2006, 77). The Prohibition vote received a new lease of life in 1978 when feminists urged their supporters to use the poll as a referendum on abortion laws. This began a trend as the now redundant poll was used by advocates about issues as diverse as nuclear warship visits and the Springbok tour (Christoffel 2006, 92). However, the surge was temporary, and by 1984 the vote for Prohibition had returned to an all-time low. The Laking Committee recommended its immediate removal, which the Lange Government subsequently did (Christoffel 2006, 79). The General Licensing Poll remained at least 50 years after it had become clear that Prohibition would not be successful.

After six o'clock closing was introduced, New Zealand held two referenda on closing times. The first was in 1949 and two options were put to voters, 6pm or 10pm closing. Unlike other liquor related referenda there was little campaigning or press coverage, both political parties supported the retention of six o'clock closing (Christoffel 2006, 54 & 152; Bollinger 1967, 54). A low turnout of 43% voted, by a margin of three to one, in favour of its retention. Christoffel argued that a 1960 Parliamentary Committee was supportive of later closing but wary of the 1949 result and therefore did not recommend the removal of six o'clock closing (Christoffel 2006, 157). It was not until 1966 that Cabinet agreed that the question be put again. Unlike the previous referendum, the question was less specific and provided for two options: six o'clock closing, or later closing. The campaigning was livelier than in 1949 and there was a much higher turnout of 70%, the result was resounding majority support for later closing by two to one (Christoffel 2006, 159-65; Jackson 1973, 62).

Judiciary

Unlike in Australia, where the High Court impacted on alcohol control, the judiciary in New Zealand played a minor role. Jackson argued that the courts and case law were unimportant because of the power vested in the Parliament (Jackson 1973, 29). Palmer argued that when parliament passed legislation, that is the law and courts do not decide cases which involve relationships between elements of government (Palmer 1987, 186). In Australia, the High Court impacted on relationships between the Commonwealth and States, and had a significant impact on the capacity for States to tax alcohol. However, in New Zealand the government of the day could change regulations and statutes with little trouble (Palmer 1987, 190-6). With regard to alcohol control, the only influence of the judiciary was in their interpretation of laws regarding availability. For example, in 1953 courts set compensation at a high level and this impacted on the capacity for the LCC to close down pubs they deemed to be of a poor standard (Christoffel 2006, 111). In 1985, the High Court and Court of Appeal made rulings which impacted on the capacity for supermarkets to sell low alcohol beer (Casswell and Stewart 1986, 22). There was also testing of the Act to determine the type of premises that could sell alcohol through an off licence (Law Commission 2009b). Despite this, the Parliament reigned supreme and the lack of a written constitution combined with a unitary state limited the role of the judiciary.

Royal Commissions and Formal Reviews

Royal Commissions and Commissions of Inquiry were a feature of New Zealand's political system. Both were used to investigate matters of public importance, but governments were not bound to accept or implement the recommendations (Simpson in Levine 1978, 26; Ringer 1991, 232). Governments often used them to remove troublesome issues from their agenda (Simpson in Levine 1978, 27). Alcohol control was one area where governments were wary of taking decisions without external validation, and there were formal reviews in 1917 (National Efficiency Board), 1945 (Royal Commission), 1974 (Royal Commission), 1986 (Select Committee), and 2010 (Law Commission Review) (Christoffel 2006, 32-54; Law Commission 2010). External and independent reviews as a precursor to legislative changes was a feature of New Zealand alcohol control policy. The Law Commission argued that each review became "like a moral and social stock take" (Law Commission 2009b, 100).

In the first half of the 20th century there were two reviews that impacted on alcohol control, the 1917 National Efficiency Board (NEB) and the 1945 Royal Commission. The NEB was established during World War One and immediately conducted a review of availability controls, recommending early closing or prohibition in the interests of national efficiency (Christoffel 2006, 57). The subsequent reforms by the wartime government led to two of the most enduring features of 20th century alcohol control, six o'clock closing and the General Licensing Poll. The 1945 Royal Commission was recommended in 1939 by the Justice Department because of issues with the licensing system (Christoffel 2006, 103). However, the war intervened and it was not revived until 1943 (Bollinger 1967, 95; Christoffel 2006, 57). The Commission saw many witnesses, received submissions and studied reports. Evidence was presented about a compact between the liquor trade and prohibitionists on issues like dry districts and six o'clock closing (Bollinger 1967, 187; Christoffel 2006, 48 & 146). The Commission also heard evidence about the poor standards in hotels due to six o'clock closing, and the role that breweries played in dominating the industry (Christoffel 2006, 109-11 & 143; Bollinger 1967, 71). This led to the most radical recommendation, that public acquisition of the breweries should be put to a referendum if continuance was successful at a future General Licensing Poll (Christoffel 2006, 77; Bollinger 1967, 106). The Commission recommended a loosening of opening hours, and that the option of a Licensing Trust is put to the citizens in districts that voted for restoration (Bollinger 1967, 106; Christoffel 2006, 123; Law Commission 2009b). There were recommendations that special legislation covering Maori should be relaxed for servicemen (Hutt 1999, 72-107). They also recommended that a Commission be established to redistribute licences, inspect and improve standards within licensed premises (Bollinger 1967, 107-11; Christoffel 2006, 58 & 111).

The Government included some of the recommendations in reform legislation. Despite the support for government intervention, nationalisation of the breweries was a step too far and this recommendation was ignored (Christoffel 2006, 106). The Government also rejected broadening the venues which could be licensed, such as restaurants (Bollinger 1967, 10; Christoffel 2006, 58). Perhaps the most significant reform was the establishment of the LCC in 1948 (Bollinger 1967, 107-11; Christoffel 2006, 58 & 111). The Government went further than the recommendations with regard to Maori, removing all discriminatory provisions (Christoffel 2006, 58). The Government was not prepared to legislate evening drinking, but

sent the issue to a referendum which was held in 1949 (Bollinger 1967, 111). The response to the Royal Commission demonstrated that it was a catalyst for policy activity; the 1948 changes were the biggest since 1918. They also demonstrated that governments did not blindly follow the recommendations of a Royal Commission, seeing nationalisation of the breweries as bad policy and being unprepared to upset the six o'clock closing status quo without validation by the electorate.

The next major review was the 1974 Royal Commission. The Commission again heard evidence, received submissions and studied reports. The Justice Department's evidence was critical of the irrational distribution of licences and the vested interests that kept competition out of the liquor trade (Christoffel 2006, 127). The Alliance and the trade both opposed introducing new licences into the market, showing that the "Presbyterian and Publican" coalition was alive and well (Christoffel 2006, 47). The recommendations were modest. They criticised the lack of control of liquor advertising and this led to the introduction of the voluntary code in 1974 (Casswell and Martin 1986, 36). The Commission recommended freeing up licensing to deal with overcrowding and distribution, suggesting smaller taverns and more types of outlets – but rejected the idea of supermarkets selling liquor (Casswell and Stewart 1986, 20-1). The Commission also recommended a new body to coordinate research, treatment and health promotion, leading to the establishment of ALAC in 1976 (Christoffel 2006, 59; Easton 2002, 21). The most timid recommendation was for a referendum to be held on the question of whether the General Licensing Poll should continue (Christoffel 2006, 77). Just like the 1945 Commission, the major change was the establishment of a state authority (ALAC).

When the reforming Lange Government turned their attention to alcohol control, they trod a well-worn path by establishing a review. The Working Party on Liquor, known as the Laking Committee, reviewed the *Sale of Liquor Act 1962*. They made sweeping and radical reform recommendations to availability controls (Christoffel 2006, 59). The Committee argued that legislation had little effect on harmful alcohol consumption and considered the research on availability theory to be less than compelling (Malpass 2011, 2; Casswell et al 1993, 12; Law Commission 2009b, 14). The Committee recommended: reducing the MLDA to 18, removing the General Licensing Poll, removing the requirement for accommodation, abolishing dry areas, removing the needs test and polls on new licences, removing the monopoly rights of Licensing Trusts, and allowing supermarkets to sell alcohol (Casswell

and Maxwell 2005, 123; Christoffel 2006, 79-130; Ringer 1991, 152; Law Commission 2010; Law Commission 2009a, 28-31). Despite their record of reform, the Lange Government found alcohol control reform a difficult task. While the 1989 Act implemented many of the Laking Committee's recommendations, it did not: abolish all dry areas, allow all liquor to be sold in supermarkets (restricted to wine only), remove monopoly rights of Trusts, or reduce the MLDA (Ringer 1991; Christoffel 2006, 121-4; Law Commission 2009a; Law Commission 2010). Some of the remaining recommendations were implemented in 1999 after another review, including reducing the MLDA to 18 and allowing supermarkets to sell beer (Law Commission 2009b, 15). Other reviews investigated alcohol excise, the Sullivan Review (1988) recommended a smaller number of alcohol excise categories to simplify the system that led to the 1989 introduction of two rates of excise (Easton 2002, 24-5).

Electoral System

Jackson argued that the electoral system was the pseudo constitution as they formed the only effective check on executive power (Jackson 1973). Up until 1993 New Zealand had a first past the post voting system that, combined with two disciplined political parties and a single house of Parliament, provided significant power to the majority government (Kelsey 1995, 42). The system gave little or no representation to minor parties in the Parliament (Kelsey 1995, 303; Mulgan 1984, 79; Palmer 1987, 243; Ringer 1991, 153). Snap elections were rare and parliaments usually ran their full term. Voting at General Elections was also voluntary (Palmer 1987, 242; Ringer 1991, 141; Jackson 1973, 46). Despite this, voter turnout was generally well over 80% and sometimes above 90% (Mulgan 1984, 70). The New Zealand electoral system also guaranteed Maori representation; from 1867 there were four Maori representatives, elected by their people (Mulgan 1984, 75; Wood in Levine 1978, 334; Ringer 1991, 118). The system had single member electorates and from 1965 the South Island was guaranteed 25 seats and this determined the total number of electorates, which had risen to 97 by the late 1980s (Mulgan 1984, 72; Ringer 1991, 118). Prior to World War Two the system over represented rural electorates and gave them a greater say than their share of the population (Mulgan 1984, 73).

The system was shaken up in the early 1990s to include proportional representation. The Lange Government's 1986 Electoral Reform Commission report recommended a German style Mixed Member Proportional Representation system (MMP) (Levine in Miller 1997, 26-

7; Kelsey 1995, 303). This was against the interests of both major parties; however they both committed to a referendum on proportional representation at the 1990 election. In a 1992 non-binding referendum 85% voted for reform, and of these 64% voted for MMP – one of four reform options. In 1993 a binding referendum was held and the vote for MMP was 54%, despite strong opposition (Kelsey 1995, 305). The change reduced the number of districts from 95 to 60, a fifth Maori seat was introduced and two types of MP were created, those representing electorates and those drawn from party lists (Levine and Roberts in Miller 1997; Mulgan in Miller 1997, 63). As a result, a plethora of minor parties established themselves (Kelsey 1995). Scott and Easton argued that whereas FPP put the power in the hands of Cabinet, MMP gave a range of parties an opportunity because of the likelihood of non-majority government (Scott in Miller 1997, 255; Easton in Miller 1997). For much of the period the New Zealand electoral system served to concentrate power in the hands of the Executive of the ruling party more than the dispersed system in Australia (which included preferential voting and proportional representation in the Senate). However, the changes in 1993 should have reduced this concentration by giving minor parties a greater representation that increased the likelihood of coalition governments.

Parliament

The parliamentary system also concentrated power. From the 1850s, representative and responsible government was granted and the government of the day could be overthrown by the Parliament (Jackson 1973, 142; Ringer 1991, 56). However, by 1900 the party system meant the power of Parliament was reduced. While Cabinet had no formal standing, it dominated the caucus, and the caucus dominated the Parliament (Ringer 1991, 63; Kelsey 1995, 42; Bassett 1998, 54; Palmer 1987, 219). The Cabinet was unchallenged by either an Upper House or federal politics (McLeay in Miller 1997, 81).

Alcohol legislation was the subject of vigorous parliamentary debate. Parliament voted down or amended alcohol legislation on numerous occasions, assisted by the conscience vote. In 1917 there was a lengthy debate on the early closing bill, with the time amended at committee stage from 8pm to 6pm. Similarly, the Parliament made six o'clock closing permanent in 1918 through an amendment at the committee stage that removed the requirement for it to cease six months after the war (Christoffel 2006, 136-7). The longevity of six o'clock closing can, at least in part, be attributed to the actions of the Parliament. In

1989 the Parliament voted down sections of the Liquor Bill, including the section to reduce the MLDA to 18 (Casswell and Maxwell 2005, 123). The Law Commission pointed out that the *Sale of Liquor Act 1989* was amended 12 times in 20 years, usually with amendments from the floor or at the committee stage (Law Commission 2010, 120).

The reason that Parliament amended alcohol legislation so regularly was because of the conscience vote. Since the development of the party system, the conscience vote was used in a number of policy areas, including: alcohol, gambling, family laws, shop trading hours, smoke free laws, corporal punishment, homosexuality, prostitution, euthanasia, and electoral reform (Law Commission 2009a, 15). However, alcohol constituted nearly half of all occasions that the conscience vote was used, and was not used in Australia or other comparable nations for votes on alcohol laws (Law Commission 2009a, 16). The conscience vote was first used in the 1893 alcohol bill debate and the practice remained in place ever since (Law Commission 2009a, 22; ALAC 1983, 10). The conscience vote meant that party discipline was removed and each member voted according to their personal judgment (Mulgan 1984, 86). During the late 19th and early 20th century, the liquor issue was so divisive that the conscience vote was used to reduce conflict within parties (Christoffel 2006, 32-54; Mulgan 1984, 86). The Law Commission argued that conscience voting delivered a compromised, inconsistent outcome that was less effective because of poorly constructed amendments, and party based voting would improve the workability of legislation and reduce the impact of pressure groups (Law Commission 2010, 155; Law Commission 2009a, 36).

Another New Zealand parliamentary practice was the Select Committee. As early as 1908, Select Committees were established to consider changes to liquor licensing (Bollinger 1967). Christoffel argued that the Select Committee with cross-party membership was a strategy used to defuse conflict (Christoffel 2006, 54). In 1985, changes by the Lange Government saw referral to a Select Committee become automatic. This provided greater power and resources to Select Committees to scrutinise legislation (Palmer 1987, 137; Ringer 1991, 128). In 1989, the Government's Sale of Liquor Bill was referred to a Select Committee (Casswell et al 1993, 11; Ringer 1991, 128). The Committee recommended a number of changes, the deregulation of Licensing Trusts was reversed and the capacity for supermarkets to sell liquor was limited to wine only (Christoffel 2006, 24; Law Commission 2009a, 28-33). Although the Government could control Select Committees, the conscience vote made the outcome far from predictable with regard to liquor issues (Kelsey 1995, 43).

The New Zealand Parliament was unicameral from 1951. Whereas Australia had an upper house that could delay or amend legislation, the New Zealand Legislative Council was abolished (Palmer 1987). The Legislative Council started in the 1850s and its members were appointed rather than elected. The Council was active in its early years rejecting bills on numerous occasions, but the last time it altered a bill was in 1916 (Ringer 1991, 113-4). Numerous attempts were made to reform the Council. Bassett argued that the failure to do so led to it suffering a perception that it was merely a rubber stamp (Bassett 1998, 256; Jackson 1973, 122). After many years of fading relevance, the Government in 1950 fulfilled an election promise to abolish the Legislative Council and met with little opposition (Bassett 1998, 256; Ringer 1991, 22).

The right to petition Parliament for redress of grievances was a fundamental principle of the system and was used regularly in the late 19th and early 20th centuries (Palmer 1987, 115). The WCTU presented a petition calling for six o'clock closing in 1915 that contained 63,000 signatures. A further petition from the Alliance in 1916 calling for early closing contained around 100,000 signatures (Malton-Murray and Cocker 1930, 183; De la Mare 1981, 35; Bollinger 1967, 55). This was amazing in a country that had just over 1.1 million people at the time (Colonist 1915). But these were dwarfed by the petition presented by the Alliance in 1918 calling for a poll on national prohibition, with an almost unbelievable 242,000 signatures (De la Mare 1981, 37). Prohibitionists were not the only group to present petitions; in 1923 citizens of the West Coast of the South Island petitioned for an end to six o'clock closing in that district (Christoffel 2006, 144). Petitions became less prevalent as the Prohibition movement declined.

State Capacity and the Bureaucracy

The state developed a strong capacity to intervene in New Zealand. Jackson identified a high degree of government intervention in economic and social life that made it relatively easy to experiment due to the high acceptance of the role of government (Jackson 1973, 203).

Bassett argued that this framework of interventionism and experimentation was accepted by the public and intensified relationships between government and business, and created strong incentives for existing players to seek ongoing regulation (Bassett 1998, 186-271).

Supported by political institutions and policy legacies, this culture demonstrated that the New

Zealand state had an extraordinary capacity to legislate and intervene in the economic and social life of New Zealanders. By the early 1980s, the view that New Zealand had become over-governed, over-regulated, and uncompetitive gained traction (Palmer 1987, Kelsey 1995, Miller 1997). This facilitated the actions taken by the Lange Government to reform the heavily regulated and protected liquor sector (as well as many other sectors of the economy). Controls and regulations were rapidly removed and the pace of change was deliberate so that established interests would not have the opportunity to block (Kelsey 1995, 34). This demonstrated that the New Zealand state had a significant capacity to intervene and make rapid and significant changes through legislation and other means.

The New Zealand bureaucracy grew rapidly in the late 19th century as new departments and state responsibilities were added (Bassett 1998). The 1912 *Public Service Act* facilitated an independent public service and removed the capacity for Ministers to hire, fire, promote and determine the salary of bureaucrats (Martin in Miller 1997, 108; Ringer 1991, 75). Within alcohol controls, the recommendation of the Department of Justice led to the establishment of the Royal Commission in 1945 and Christoffel argued that the recommendations of the Department to nationalise the breweries swayed the Commission (Bollinger 1967, 95; Christoffel 2006, 54). By the middle of the 20th century, the New Zealand bureaucracy had established itself as influential in alcohol control and public policy. The Department of Justice was the key government agency throughout and administered the LCC (Law Commission 2009b). From 1993, the Department of Health coordinated and funded alcohol treatment services (Casswell et al 1993, 12; Easton 2002, 21). Another agency with an interest was the Department of Transport, which had responsibility for drink-driving laws (Ministry of Transport 2010, 31). However, the impact of these agencies on alcohol control paled compared to the Treasury during the 1980s.

During the 1980s and 1990s, Treasury was highly influential. Their 1984 briefing paper to the new Government, *Economic Management*, was almost a textbook on microeconomic theory. Amazingly, by 1987, much of the briefing paper had been implemented by the Lange Government who had not flagged these reforms during the election campaign. Treasury did not stop there. In 1987 their briefing paper (*Government Management*) was a guide for restructuring the state and guided reforms in the second Lange Parliament (Kelsey 1995, 57-60). Kelsey argued that by 1985 the Treasury were pivotal in driving the reforms of the Lange Government, and that their advice outweighed any other source (Kelsey 1995, 27-50).

The 1990 and 1993 briefings to the new Government both reaffirmed and expanded on the previous themes from *Economic Management* and *Government Management* (Kelsey 1995, 62). The reform agenda continued through the 1990s and criticism of Treasury was both rare and treated with impatience (Kelsey 1995, 64). Treasury was also the key agency with regard to alcohol excise. They regularly reviewed the arrangements and made recommendations to Government (Casswell and Maxwell 2005, 121; Casswell et al 1993, 11-3; Easton 2002, 27). The 1980s reforms to the public sector were built on pillars of efficiency and accountability (Martin in Miller 1997, 109). The impact was significant. The number of public servants was nearly 90,000 in 1986 and within two years this had been slashed to just over 60,000, and by 1996 had dropped to around 30,000 (Ringer 1991, 77; Martin in Miller 1997, 108). Kelsey argued that the reforms to the economy and state sector were implemented by a small number of key public servants who moved through institutions to drive change (Kelsey 1995, 46-52).

A range of other institutions created by Government impacted on alcohol control. The National Efficiency Board was a highly influential – if accidental – institution. The drive for national efficiency became pronounced after New Zealand entered the First World War (Christoffel 2006, 55). The Massey Government established the Board in 1917 and gave them a wide brief to review the economy and measures to reduce the cost of living, promote thrift and deter luxury (Bassett 1998, 143). Christoffel argued that the Board had Calvinist and prohibitionist leanings, three of the five members had a record of publicly supporting Prohibition (Christoffel 2006, 55-6). The Board chose to inquire into and report on liquor, and recommended that six o'clock closing should be introduced immediately (Christoffel 2006, 136). Their report was only two pages long and contained no evidence, but it pressured the Government to act and six o'clock was introduced in late 1917 – initially as a temporary measure during the war (Christoffel 2006, 56; Bollinger 1967, 55). The Board also recommended ongoing prohibition through a vote of the people. Christoffel argued that the report provided new impetus for Prohibition advocates and arguments around national efficiency were increasingly used to attract the business community to the cause (Christoffel 2006, 57; De la Mare 1981, 37). The Board also made other Calvinist recommendations such as: no new picture theatres, less cars, reducing race days, and even mandating the sale of stale bread only (Bassett 1998, 143).

Another body created by Government that impacted on alcohol control was the LCC, which commenced in 1949 and became important in determining the distribution of licences and policing hotel standards (Bollinger 1967, 111; Christoffel 2006, 111; Ringer 1991, 151). In 1962, the LCC was given greater powers for appointing hotel inspectors, setting minimum standards, determining the closure of hotels, and issuing new licences (Christoffel 2006, 112). Perhaps the most significant impact was their power to determine whether new licences were “necessary or desirable” and to redistribute existing licences (Law Commission 2009b, 125). The LCC became the guardian of availability through their capacity to determine how many licences should be granted in an area (Casswell and Stewart 1986, 24). The *Sale of Liquor Act 1989* replaced the LCC with the LLA, and local licensing committees with DLAs (Law Commission 2009b, 143; Ringer 1991, 152). The LLA functions included the consideration and determination of contested licence applications, and to consider appeals from DLA decisions. However, the removal of the “needs” test on new licences substantially reduced the powers of the LLA compared to the LCC (Law Commission 2009b, 146).

The Law Commission also emerged as an influential institution for alcohol control. It was established in 1985 to replace law reform committees that had been set up previously. The Commission’s purpose was broad but based around reviewing the law and making recommendations to the Government on reforms (Palmer 1987, 155; Ringer 1991, 230). In 2008 the Commission commenced a review of the regulatory framework for the sale and supply of liquor, under the Chairmanship of former Minister and Prime Minister, Geoffrey Palmer. The review was arguably the most comprehensive in New Zealand history, assessing all areas of alcohol control: taxation, availability controls, drink-driving countermeasures, advertising controls, treatment, and education (Law Commission 2009b). Before they published their review, the Commission tabled a separate report on conscience voting for alcohol legislation, arguing that it should be removed (Law Commission 2009a). The issues paper in July 2009 pointed to a system that needed increased regulation (Law Commission 2009b). In the final report in April 2010 the Commission argued that the recommendations represented a retreat from some of the most liberal aspects of the current regulations but did not represent a return to wowsersism (Law Commission 2010, 108). While the impact of the report is outside the scope of this analysis, it is likely to have a significant impact on New Zealand alcohol control.

Political Parties

Disciplined political parties established in the early 1890s, when liquor issues had the potential to threaten unity because of their polarising nature. Christoffel argued that this was why the referendum and conscience vote were favoured (Christoffel 2006, 238). New Zealand political parties had a centralised structure, as opposed to Australia where parties were state based (Gustafson in Levine 1978, 196). From the middle of the 20th century, when a two party structure developed, there was only limited policy difference between the two (Vosslamber 2010, 6). With regard to alcohol, political parties rarely took a strong position. Christoffel argued that 1920, when Labour advocated state control of the industry, was the last time that a major party had a firm policy (Christoffel 2006, 53). Political parties, by *not* having a position on alcohol, impacted the course of alcohol control. Their preference to let issues be dealt with by referendum or the conscience vote delivered a unique politics of alcohol.

The first political party in New Zealand was the Liberal Party, who governed from 1891 to 1912. They were deeply divided over liquor and were the first party to use the conscience vote in 1893 (Bassett 1998, 79-93; Law Commission 2009a). The Liberals were defeated by the Reform Party which governed from 1912 to 1928 (Gustafson in Miller 1997, 137). In 1916, the New Zealand Labour Party was born with strong links with the union movement (Bassett 1998, 145). Consistent with this, the Labour Party endorsed the push for state control to be included as a third option in the General Licensing Poll (Jackson 1973, 60; Bollinger 1967, 87). Bassett argued that liquor issues divided the Labour Party, and it therefore always ensured that a conscience vote was allowed by its parliamentarians (Bassett 1998, 242). Labour achieved electoral success in 1935 and their election led to the establishment of the other major party, the National Party (Vosslamber 2010, 5; Bassett 1998, 179). Labour Governments in Australia and New Zealand tended to be elected and defeated at similar times (Jesson in Miller 1997).

The National Party was formed in 1936 through the merging of the Liberal Party, the Reform Party and the Urban Democratic Party. Mulgan argued that the Nationals were formed as an anti-Labour coalition, and Gustafson argued that the unifying force was opposition to socialism and bureaucratic intervention (Gustafson in Miller 1997, 137; Mulgan 1984, 53). Following their formation, New Zealand had a two party system (Gustafson in Miller 1997, 3). With regard to alcohol, the Nationals were sceptical of Licensing Trusts, as they were

considered an example of creeping socialism (Bollinger 1967, 115). The Nationals formed government in 1949, and ruled until 1984 with only two single term Labour Governments in 1957 and 1972 to punctuate the period (Bassett 1998, 310 & 323).

The election of the fourth Labour Government in 1984 resulted in massive changes. The Lange Government changes were at odds with Labour Party doctrine, which had favoured greater levels of intervention. Instead, Lange implemented a neo-liberal regime. As a result of this, party membership fell from 45,000 to 11,000 between 1984 and 1988 (Kelsey 1995, 36). The Nationals also faced internal divisions between interventionists and free marketeers, and whether to follow Labour's reforms or oppose them. The answer came when they were elected in 1990 and the National Government extended the Lange reforms (Kelsey 1995, 6). The electoral changes in 1993 resulted in a breakdown in the two party system. New Zealand had a legacy of minor parties but the electoral system provided them little opportunity to gain representation. MMP provided a greater chance of them achieving electoral success and a number of disaffected MP's launched political parties (Miller 1997, 38; Kelsey 1995, 308). The most influential was New Zealand First, started by an outspoken former National MP, Winston Peters. New Zealand First had a strong say from 1996, ruling in coalition with the National Party (Kelsey 1995, 306; Miller 1997, 165).

Local Authorities

New Zealand had a strong central government with local authorities responsible for residual functions. Local government started with the provinces in 1852 (Bassett 1998, 39; Ringer 1991, 238). From the early days there was rivalry with the central government. Ringer argued that some provincial politicians wanted a federal system, but the much smaller scale in New Zealand made this impractical (Ringer 1991, 113). The abolition of the provinces in 1876 returned power to the central government and meant that local government became a junior partner with limited responsibilities (Bassett 1998, 43; Ringer 1991, 238). By 1987 the territorial authorities included: 27 cities, 89 urban boroughs, 80 county councils, 20 district councils and 1 town council (Ringer 1991, 240). Given the reforming zeal of the Lange Government, it was no surprise that local government came in for a shake-up. The *Local Government Act 1989* abolished all the former authorities and created 14 city and 59 district councils (Ringer 1991, 242). Local authorities had the power to make bylaws to regulate drinking in public places. By 2005, 64 territorial authorities had a liquor control bylaw in

place. In addition, many had local alcohol policies (Ringer 1991, 249; Law Commission 2009b, 195-6). Territorial authorities also performed an administrative function as the DLA in their area. However, their impact throughout was minimal.

Policy Legacies

Policy legacies had possibly the heaviest influence of any institution. One relatively short lived policy measure, local option (1894 to 1918), had a long lasting impact. It led to dry areas that generated particular feedback. De la Mare, writing about “dry” Invercargill, painted a grim picture of unintended consequences including sly-grogging, keg parties, and brewery depots over the border. Invercargill became known as “beer town”, a reference to its drunkenness (De la Mare 1981, 73-8). Dry areas were by the early 1960s restricted to the suburbs of Auckland and Wellington where Christoffel argued “middle class and aspirant voters used an inherent privilege to protect their property values at the expense of the residents of surrounding areas” (Christoffel 2006, 124). Legislation also allowed for local objection polls in residential suburbs, helping to keep the growing suburbs hotel free. By the 1970s, this combination of dry districts and local objection polls had led to the “booze barn”, massive hotels usually located adjacent to dry districts (Christoffel 2006, 124). Dry areas remained a focus into the 1980s, the Laking Committee recommended their abolition but the parliamentary committee was “bombarded” with submissions from residents demanding that their area remain dry (Christoffel 2006, 81-124). The last dry area disappeared in 1999, but they created an important actor group (residents in dry areas) and ensured that the issue was a focus for policy makers. Local option was also influential because it was a precursor to the General Licensing Poll. The perceived lack of success in achieving prohibition through local option, combined with the practice of holding liquor polls in conjunction with General Elections, tilled the ground for the introduction of the Poll in 1918.

Six o’clock closing had a significant impact on customers, venues, and policy debates. The six o’clock swill was an ugly but enduring image. The restrictions did not have the desired effect as customers and businesses changed their behaviour (Christoffel 2006, 165-234). The dangerous impact on drinking provided further confirmation for prohibitionists that alcohol should be the subject of restriction; it was considered a symptom and not a cause. It took some time to remove six o’clock closing despite the LCC criticising it and the tourism industry pointing out how unsightly it was (Christoffel 2006). Six o’clock closing gained an

unusual combination of supporters including: trade unions, some hoteliers, and prohibitionists. Malpass argued that this support helped to lock in the policy for fifty years (Malpass 2011, 3). Bollinger contended that the industry had used the opposition to six o'clock closing for its own ends and that it actually favoured its continuation (Bollinger 1967, 53-4). There were hoteliers that supported six o'clock closing, as they could employ less staff and make a comfortable living without having to open until late (Christoffel 2006).

New Zealand had significant restrictions on new licences. During local option, the number of hotels reduced by 27% but the number continued to decline after it ended because of the lack of mechanisms to allow new licences (Christoffel 2006, 101). It became almost impossible for a new liquor outlet to open and many areas were poorly serviced. There was also little capacity to move licences from one location to another as it had to occur within the same licensing district and was subject to objection, usually by existing hoteliers (Christoffel 2006, 99-101). Changes in 1948 did allow new licences, but the LCC was required to apply the needs test and this led to objections from existing operators, even if approved a licence could be voted down by local residents (Christoffel 2006, 112). This increased the power of existing hoteliers and local residents, leading to a "proliferation of groups with vested interests intent on keeping out competitors" (Christoffel 2006, 127). The policy legacies of restrictions on new licences, dry areas, and (to a lesser extent) six o'clock closing were the major factor that led to the strong and influential "Presbyterian and Publican" coalition in New Zealand.

An availability control unique to New Zealand was Licensing Trusts. Trusts were built on the idea that there was a need for local control of the distribution of alcohol and to remove the profit motive. By the mid-1970s there were 14 Licensing Trusts (Bassett 1998, 243). They became actors in the policy debate. A number of Trusts supported more stringent controls, such as stopping alcohol advertising and alcohol sales in supermarkets (Stewart and Casswell 1986, 29). Trusts were not subjected to any competition. The Laking Committee was not supportive of Trusts, but recognised their support in local communities and therefore declined to recommend their removal (Law Commission 2010, 248).

Alcohol tax arrangements also influenced. The reaction to the 1958 Budget decision to double the excise on beer and spirits, generated political fallout that structured the alcohol tax debate for many years, it was regarded as having led to the demise of the Government

(Gustafson in Miller 1997, 4; Vosslander 2010, 2). The Budget was painted as Puritan and the experience sent a clear message that this was politically fraught and may be political suicide (Vosslander 2010). Subsequent governments were loathe to raise taxes, and the issue was effectively removed from the agenda for many years (Easton 2003, 3; Easton 2002, 19).

Liquor laws and social conditions combined to structure alcohol control. Christoffel argued that the restrictions on alcohol came to be viewed as protecting New Zealanders from foreign influences, and to fix in place the customs of the early 20th century. Arguments about the preservation of six o'clock closing demonstrated that the laws were viewed as a way of ensuring that family life was protected (Christoffel 2006, 225). The freeze on licences and dry areas were protecting the tranquillity and property values of the growing suburbs (Christoffel 2006, 226). In 1967 a Dunedin Presbyterian Minister urged the rejection of evening drinking because "our national drinking habits are very much more bound up with our national character than with the time our hotel doors close" (Christoffel 2006, 227). This highlighted how alcohol controls were viewed as reflecting the national character rather than shaping it.

The restrictive alcohol controls came to benefit the industry, which became strongly resistant to changes that would subject them to increased competition. Bollinger argued that while each restriction was originally trumpeted as a victory for the Prohibition movement, they substantially reduced the number of licences and meant that holding a liquor licence attained a significant value that was well out of proportion to the value of the tangible asset (Bollinger 1967, 101). Christoffel argued that the industry tended to support restrictions once they were in place, motivated more by self-interest than by ideology (Christoffel 2006, 32). The requirement for hotels to offer accommodation, especially where it was not necessary, meant that they were over-capitalised and would be disadvantaged if new entrants entered the market that were not required to provide the same investments (Christoffel 2006, 121). Availability controls concentrated the economic power of the industry and provided both the incentive and the capacity for existing players to become a powerful political player and restrict competition (Bollinger 1967, 62; Christoffel 2006, 234). Alcohol controls created an "unholy alliance" between Prohibitionists and the trade. Bollinger argued that every change in the law was a compromise between the two parties and meant strong opposition to attempts to free up the regulatory controls (Bollinger 1967, 45-7; Law Commission 2009a, 23). This alliance was best demonstrated by the vehement opposition to any new licences

being established – for different reasons but to the same end (Christoffel 2006, 3 & 99). At the 1945 Royal Commission, there was significant agreement between the Alliance and the trade on questions like the need for new licences (a resounding no) and the abolition of dry districts (no) (Christoffel 2006, 47-8; Bollinger 1967, 187). As the twentieth century progressed and the Prohibition movement declined as a political force, other actors replaced them in opposing new liquor outlets (Christoffel 2006, 50). ALAC joined the Hotel Association in arguing against more liquor outlets, seemingly unaware that they were arguing on the same side as the industry (Christoffel 2006, 51). When the removal of the needs test was debated in 1989, the industry, church groups and researchers opposed the changes. Christoffel argued that industry lobbying was only effective when they sang a similar tune to the prohibitionists (Christoffel 2006, 51).

7.4 Influence of Ideas and Socio-Economic Conditions

Ideas

Temperance ideas were especially influential in the early 20th century. The Law Commission described the push to ban alcohol as “the strongest moral crusade in New Zealand’s history” (Law Commission 2009a, 21). Temperance ideas were particularly strong among the Protestant middle class, who saw that the state had a role to intrude on the personal lives of citizens (Bassett 1998, 143). In New Zealand, temperance ideas were strongly linked with prohibition. Christoffel argued that there was a strong belief in the availability theory and that alcohol had a special status in society. Alcohol was viewed as evil, and that something needed to be done to limit or ban it (Christoffel 2006, 5-39). In the post-World War Two era ideas about domesticity and family life merged with these ideas, supporting the proposition that alcohol should be restricted. Similarly, Sunday closing became secular rather than religious, as New Zealanders viewed these restrictions as part of their way of life. Temperance ideas held sway for a long period of time (surpassing the influence of the Protestant Churches); although by the 1960s they were in decline (Christoffel 2006, 150-230).

Ideas that promoted alcoholism as a disease had limited influence. The ideas gained some ground after AA established but the strength of temperance ideas made it hard for the disease

model to gain traction. Bollinger argued it was not taken seriously because the idea that alcohol was related to sin was so ingrained (Bollinger 1967, 185). However, the 1974 Royal Commission devoted 14 pages to the subject, whereas the 1945 did not discuss alcoholism being a disease (Christoffel 2006, 19). The disease idea was influential in the medical research sector and led ALAC to bemoan that there was inadequate research about alcohol related problems because it all confirmed the “old” alcoholism and disease model (ALAC 1983, 10).

Public health ideas in New Zealand were concerned with the relationship between per capita consumption and alcohol related problems (ALAC 1983, 9). Public health research was heavily influenced by the discipline of sociology, as opposed to disease model research which had been in the discipline of medical science (Christoffel 2006, 21; Malpass 2011, 16; ALAC 1983, 10). New Zealand public health research was led by Sally Casswell and a core of researchers. In the 1980s, they advocated a cessation of the liberalising trend in alcohol control as it meant an increase in alcohol related problems and adverse consequences (Casswell and Martin 1986; Casswell and Stewart 1986, 30; Stewart and Casswell 1986). New Zealand public health ideas advocated the precautionary principle – that the onus of proof should be shifted to proving that a product or initiative will not increase harm (Kypri et al 2011, 428; Casswell et al 1993, 15). They had policy prescriptions such as: opposing deregulation of availability controls, using alcohol taxation to reduce harm, and further restricting alcohol advertising (Ashton and Casswell 2005, 5-20; Casswell and Martin 1986, 31; Easton 2002, 6-17). But public health ideas came up against the ideological shift towards liberalisation and deregulation. Therefore, public health had limited salience in influencing policy reforms in the 1980s and 1990s. The Law Commission report heralded a return to public health ideas and argued that the evidence supported making alcohol both less available and more expensive to improve public health (Law Commission 2010). Christoffel argued that ALAC ideology shifted from public health to harm minimisation from the early 1990s that moved from the focus on average consumption towards harmful drinking (Christoffel 2006, 23). However, by the time the Law Commission reported in 2010, public health ideas were front and centre.

The diffusion of ideas from other jurisdictions had influence at certain stages, and virtually none at others. Due to its isolation and centralised political system, New Zealand had a reputation in the late 19th century and early 20th century as a social laboratory where new

ideas and radical policy innovations could be implemented (Kelsey 1995, 1; Bollinger 1967, 1; Christoffel 2006, 167). A number of social reformers that visited departed with a “missionary zeal” regarding the adoption of radical new ideas (Bassett 1998, 2). However, Christoffel argued that New Zealand was isolated from international ideas for a long period in the 20th century, resulting in an insular attitude among citizens and governments. It was only later in the century that reduced isolation started the process of questioning attitudes that had been in place for more than two generations (Christoffel 2006, 223-31). By the early 1980s New Zealand had become more open, as evidenced by the influence of new ideas from the United States. Key institutions and actors became focused on the monetarist ideas of Friedman and the Chicago School, and public choice theory of Buchanan and the Virginia School (James in Miller 1997, 18; Kelsey 1995, 54). These ideas had gained traction in international institutions such as the OECD, IMF and GATT, and were influential as the Lange Government embarked on sweeping reforms from 1984. Looking to international ideas continued at the end of the period, the Law Commission referenced many initiatives in the Australian States and the United Kingdom (Law Commission 2009a, 2009b, 2010).

One consistent idea in New Zealand was about the use of the state to influence the economy and society. This clearly demonstrated that New Zealand had a more “statist” political and policy culture than had developed in Australia. Bassett argued that it was hard to identify any consistent ideology other than “an implicit faith in the goodness of actions of the state” (Bassett 1998, 96). State intervention became viewed less as social reform and more as protecting the culture from foreign influence (Christoffel 2006, 226). Kelsey argued that the national identity was built around this interventionist and centralised state from early in the 20th century (Kelsey 1995, 336). Ideas about state control of the liquor industry were demonstrated through Licensing Trusts (Bassett 1998, 242). Public health advocates embraced the idea that municipal control could reduce alcohol related harm (Casswell and Stewart 1986, 29). Until 1984 this statist culture meant support for price controls, high tariffs, import controls and subsidies; reaching their zenith under the Muldoon Government. The political and economic crisis at this time forced a rethink of the role played by the state (Bassett 1998, 291).

From the 1980s there was a rapid consensus, and impact on policy, achieved by neo-liberal ideas. They had an economic and moral element which was critical of state involvement in the economy and society (Rudd in Miller 1997, 259; Kelsey 1995, 86). These ideas achieved

a consensus in the Treasury, demonstrated by the briefing to the incoming Lange Government, *Economic Management* (Kelsey 1995, 53-5). Neo-liberal ideas became the orthodoxy with little debate or questioning, which Kelsey described as surprising given that they had not been implemented anywhere else (Kelsey 1995, 65-7 & 349). Lange Government Minister, Michael Bassett, argued that the reforms moved away from an “idealistic collectivism”, however he recognised that the public were not entirely convinced about this shift (Bassett 1998, 375). International researchers and organisations hailed New Zealand as an example of how to apply neo-liberal economic theory (Kelsey 1995, 1). With regard to alcohol controls, the neo-liberal agenda was highly influential as temperance and public health ideas were swept aside (Casswell et al 1993, 12). The Law Commission argued that this was demonstrated by the Laking Committee’s rejection of the availability theory (Law Commission 2009b, 14; Law Commission 2010, 61). New Zealand was influenced by the same ideas as Australia. However the nation embraced some (temperance, public health, neo-liberal), while starved others (alcoholism).

Socio-Economic Conditions

Two world wars, the Great Depression and the rise (and fall) of the post-war welfare state all set the context for alcohol control. The First World War was a major challenge to the economy and society, Bassett argued that it encouraged the full use of the state to maximise society benefit including: tax increases, social controls and efficiency (Bassett 1998, 126-42). Christoffel argued that national efficiency became viewed as vital for survival (Christoffel 2006, 18). Unlike Australian States like South Australia, New Zealand had not actively debated the issue of early closing of hotels or shops (Christoffel 2006, 138). The stimulus for early closing was provided by the NEB producing a report that Bassett described as “Calvinist” and made six o’clock closing one of their key recommendations (Bassett 1998, 143; Christoffel 2006, 165).

The economic uncertainty of the Great Depression had a dramatic impact. There was a dramatic decrease in consumption to an all-time low in the early 1930s as the economic malaise impacted. This proved that the economy, not legislation, had the biggest impact on drinking (Casswell and Stewart 1986, 12; Law Commission 2009b, 12). The period also impacted on public attitudes towards Prohibition, the United States experience discredited the idea that Prohibition would be good for the economy (Christoffel 2006, 89). From the mid-

1930s, as the economic recovery set in, the welfare state increased and started the cycle of heavy spending that eventually provided challenges for the economy and the ground for a radical transformation in the 1980s (Bassett 1998, 207). The Second World War also brought increased state intervention, as well as renewed enthusiasm for Prohibition after significant decline since the 1920s (Bassett 1998, 239; Bollinger 1967, 55-6; Christoffel 2006, 93). The period after World War Two was one of prosperity (Law Commission 2010, 63). However, underneath the comfortable and prosperous exterior, there were emerging threats. Kelsey argued that New Zealand gained less access to the British market as the United Kingdom shifted towards Europe (Kelsey 1995, 25). Bassett argued that the economy underperformed from 1960, with a growth rate of two percentage points less than the OECD average from 1960 to 1984 (Bassett 1998, 22). Successive Governments increased spending and this intensified further during the 1970s, when the world economy took a negative turn. By the late 1970s there was high inflation and little or no economic growth (Bassett 1998, 344-62). These circumstances were similar to the economic challenges in Australia.

The Muldoon Government oversaw significant economic challenges and introduced a wage and price freeze while intensifying the spending programme. By 1984 both spending and inflation were described by Bassett as “out of control” (Bassett 1998, 367-72). Decades of intensive regulation meant that every part of the economy was highly regulated (Kelsey 1995, 86). At the 1984 General Election, a new Labour Government led by David Lange was voted into power. The handover from the Muldoon Government meant that they were immediately embroiled in a crisis that was economic, fiscal and constitutional (Kelsey 1995, 26; James in Miller 1997, 13). Kelsey described the conditions in 1984 as perfect for the new Government to conduct a radical experiment due to the: deep dependence on the state, public complacency due to the high standard of living, and a highly vulnerable economy. These conditions, combined with the constitutional and financial crisis, supported a radical transformation of the economy and the role of the state (Kelsey 1995, 19). The new Government questioned the role of the state and claimed justification because of the fiscal and economic pressures facing the country, and used the concentrated executive powers to achieve change (Casswell et al 1993, 10; Bassett 1998, 22). The Australian economy performed better during this period, although by the mid-1990s New Zealand was being touted globally as the “turnaround” economy.

7.5 Influence of Actors

Temperance/Prohibition

Temperance and Prohibition groups were well organised by 1900. Most had formed from the 1860s and the Alliance was established in 1886. The movement included a vast array of groups who were against alcohol on a range of grounds including: moral, religious, social, and health (ALAC 2012, 13). Some demonised liquor, such as the Methodist Church (Christoffel 2006, 39). The New Zealand movement embraced Prohibitionist thinking to a greater extent than in Australia. Christoffel argued that a reason for this was the very close association with religion, particularly the non-conformist churches. The Methodist and Presbyterian churches both adopted a strongly prohibitionist stance and they made up over 30% of the population in early 20th century New Zealand (Christoffel 2006, 39). However, the difference was not huge. In Australia Presbyterians and Methodists made up around 25% of the population, and this was over 30% if other anti-alcohol churches were included – the Baptists, Congregationalists, Church of Christ, and Salvation Army (Commonwealth Statistician 1911). The links between the Alliance and the non-conformist churches were strong in the early 20th century (Malton-Murray and Cocker 1930, 155). The Anglican and Catholic Churches did not support Prohibition and preferred abstinence to be brought about through education and personal choice (Malton-Murray and Cocker 1930; Christoffel 2006, 40). However, the non-conformist churches were strongly anti-alcohol and played a role in the Prohibition movement (Malton-Murray and Cocker 1930). The WCTU strongly embraced Prohibition, they were fierce advocates for the cause and very active in education, awareness raising, and coordinating petitions (Malton-Murray and Cocker 1930). The support of the Churches and the WCTU for Prohibition remained strong until the 1960s (Christoffel 2006, 90 & 160).

The Prohibition Movement mounted vigorous campaigns during the early 20th century. The strategies employed included: tours by foreign activists, publishing pamphlets and propaganda, and putting out a regular newspaper (Christoffel 2006, 40). The main aim from the first decade of the twentieth century was to achieve a National Prohibition Poll (Bollinger 1967, 43; Christoffel 2006, 57 & 136; De la Mare 1981, 36). Prohibitionists sought commitments from all election candidates and Grigg found that 40% of elected

representatives in the 1914 Parliament had expressed support for prohibition (Grigg in Christoffel 2006, 41). The conduct of the Poll at every General Election ensured that the movement had a clear issue on which to campaign every three years, and the battles in the first few polls were huge (Christoffel 2006, 83). The Poll encouraged the Alliance to increase its resources, but by 1928 they had started to overstretch themselves (Christoffel 2006, 83-6; Bollinger 1967, 83). In 1930, leaders of the movement held the belief that the abandonment of local option in favour of a National Prohibition Poll was a mistake (Malton-Murray and Cocker 1930, 66). As their capacity to achieve Prohibition disappeared and the best prospect was the retention of existing restrictions, they found unusual bedfellows in the liquor industry. Similarly, the focus shifted away from moral arguments about the evils of liquor and focused on the lifestyle benefits of the existing restrictions (Christoffel 2006, 150). Prohibitionists remained focused on the issue of availability, many opposed increases in taxes because they opposed the government becoming dependent on them (Christoffel 2006, 52). By the late 1960s, much of the movement had abandoned support for six o'clock closing and the Alliance supported dropping the issue of prohibition in favour of a choice between Trust control and continuance at the General Licensing Poll (Christoffel 2006, 161-6; Jackson 1973, 60). De la Mare noted that the movement may have achieved greater success had it stuck to temperance rather than pushing for Prohibition (De la Mare 1981, 42).

Bollinger argued that the forces of Prohibition reached their peak of influence from 1900 to 1930 and were able to influence parliaments and licensing law in significant ways. He suggested that "if someone was to offend prohibitionist sentiment the fate of a government might be sealed" (Bollinger 1967, 48). While this may be an exaggeration, ongoing fear of the movement lasted well beyond the Second World War. Bollinger and Christoffel argued that the General Licensing Poll had much to do with this (Christoffel 2006, 94 & 160; Bollinger 1967, 95). In 1960, the Select Committee reviewing licensing and six o'clock closing were concerned about the potential backlash of Prohibitionist Churches and the Alliance (Christoffel 2006, 159). The perception was still evident in 1983 when the Justice Department noted that the retention of the Poll was about ensuring that the violent protests from anti-liquor forces were not mounted against the government (Christoffel 2006, 95). The General Licensing Poll worked in the favour of prohibitionists as it demonstrated strength of feeling about the issue, which in turn made it harder to remove (Christoffel 2006, 238).

Publicans initially formed associations at the regional level but, with power concentrated in Wellington, quickly developed a national structure. The Licensed Victuallers Association of New Zealand was formed in 1890. The group was dominated by brewers, and changed its name to the Brewers' and Wine and Spirit Merchants' Association in 1893. Publicans formed their own group in 1902, the United Licensed Victuallers Association (Christoffel 2006, 45; Hospitality New Zealand 2014). The Victuallers became a strong lobby for the interests of hotel owners and publicans (Hospitality New Zealand 2014, Bollinger 1967, 150). The name was changed to the Hotel Association of New Zealand in 1958 and to the Hospitality Association of New Zealand in 1995 (Hospitality New Zealand 2014). Clubs had representation from 1912 through the Associated Clubs of New Zealand (now Clubs NZ), and restaurants through the Restaurant and Cabaret Association (now Restaurant Association of New Zealand) (Clubs New Zealand 2014, Restaurant Association of New Zealand 2014). These associations had different interests to hoteliers – with hoteliers trying to stop restaurants and clubs from getting liquor licences.

By World War One, with the threat of Prohibition, brewers and publicans once again formed a national body to represent the industry through the National Council of the Licensed Trade (Christoffel 2006, 45). The Council became the key body to fight for continuance at General Licensing Polls and represented the common interests of the industry at major inquiries (Christoffel 2006, 45; Bollinger 1967, 61). The National Council changed its name to the Liquor Industry Council in 1971 (Christoffel 2006, 47). Other industry actors included representative bodies for the wine, spirits, and supermarket sectors. The wine industry representative body from 1975 was the Wine Institute of New Zealand. The Wine Institute and the New Zealand Grape Growers Council formed a joint venture in 2002, NZ Winegrowers (NZ Winegrowers 2014). Their remit included advocacy, marketing, research, education and events. The body was funded through a levy on the sale of grapes and wine (NZ Winegrowers 2014). The Distilled Spirits Association of New Zealand was formed in 1990 along similar lines to its sister organisation in Australia (Spirits New Zealand 2014). Another industry actor was the National Retail Grocers and Supermarkets Association, which pushed to allow supermarkets to sell take-away liquor (Casswell and Stewart 1986, 21; Grocery Retailers Association 2014). Representative bodies were located in Wellington and advocacy with Government and Parliament was a priority.

Christoffel argued that the industry held similar views as those in Australia, it was influential but its constituent groups were often divided with regard to restrictions (Christoffel 2006, 238). The industry was largely driven by self-interest, explaining why they generally supported restrictions once they were in place that kept out new market entrants (Christoffel 2006, 32-52; Bollinger 1967). The 1945 and 1986 inquiries noted that the industry (especially hoteliers) was against competition (Christoffel 2006, 50). Like Prohibitionists, the industry centred its lobbying activities on the General Licensing Poll and inquiries. No polls were battled harder than the first three in 1919, 1922 and 1925 (Christoffel 2006, 83). When the United States implemented Prohibition, the industry increasingly used evidence of the detrimental impact. They published “open letters” from prominent US citizens that discussed the negative effects of Prohibition (Christoffel 2006, 84-6). The National Council lobbied particularly for the removal of the General Licensing Poll. Yet their efforts were unsuccessful and the poll remained, despite it being considered redundant in many parts of the population (Christoffel 2006, 51 & 75). This demonstrated that while industry lobbying was influential, it had less impact without the support of Prohibitionists.

After the threat of Prohibition had subsided, the industry worked towards reducing competition. At the 1945 Royal Commission, the National Council submitted that there was no need for new liquor licences, a position enthusiastically supported by the Alliance (Christoffel 2006, 47). The industry on six o’clock closing was more circumspect and the Victuallers’ Association and the National Council displayed conflict on the issue (Bollinger 1967, 54; Christoffel 2006, 155). In the 1960s, publicans started to see the sense in later closing and responded to criticism regarding their position. But the Hotel Association only advocated voting at the 1967 referendum, not which way to vote (Christoffel 2006, 157-8). Bollinger argued that the industry supported six o’clock closing, but it was more likely that they were conflicted and could not take a definitive position (Bollinger 1967, 154-9). Bollinger also described industry lobbying activities, his account of the 1961 Sale of Liquor Bill debate highlighted how parliamentarians were “whistled up” from the back of the chamber by industry representatives to receive instructions (Bollinger 1967, 168). The industry came together to oppose excise increases, in 1996 the Beer Wine and Spirits Council commissioned a review that questioned the theoretical assumptions and findings of government reports (Casswell and Maxwell 2005, 120; Christoffel 2006, 51; Ironfield et al 1999). Licensing Trusts also became an industry actor that lobbied to protect its interests by

opposing alcohol sales in supermarkets and supporting the banning of alcohol advertising (Casswell and Stewart 1986, 29).

In the 1980s, despite a consensus among industry and anti-liquor groups, actors failed to stop the dramatic reforms. During 1986 alcohol researchers, ALAC and church groups were supported by the Hotel Association in opposing new outlets. Christoffel argued that they seemed “oddly unaware” that they were arguing for the same thing (Christoffel 2006, 51 & 130). Demonstrating this, Casswell claimed that public health advocates “failed” in their lobbying on the 1989 Sale of Liquor Bill, yet the industry were considered successful (Casswell et al 1993, 14). Both the industry and public health advocates were largely unsuccessful as the 1989 Act made sweeping and liberalising changes. In 2008, the Law Commission highlighted ongoing industry divisions. Diageo and the Distilled Spirits Association both argued for spirits to be sold in supermarkets. They highlighted the “unfair commercial playing field” created when only wine and beer could be sold. Yet the supermarket chains did not argue for such a move. However, supermarkets did recommend an end to the monopoly position of Licensing Trusts (Law Commission 2010, 249). This period highlighted that: the policy environment created new actors (when the 1989 Act allowed supermarkets to sell wine), actors that were once “outsiders” lobbying for change soon sought to retain the status quo, and actors created by the policy environment came into conflict (supermarkets and Licensing Trusts).

The industry often failed to get its way and only tasted success when able to work towards the same ends as their anti-liquor counterparts. Bollinger argued that the trade was an extraordinarily strong actor that had a hand in every change to the law, and that every change of Government from the early 20th century had followed a crisis on the liquor front and the fallen governments had faced pressure from the trade (Bollinger 1967, 48 & 89). Yet Bollinger overplayed the extent of their capacity to singlehandedly influence the political and policy processes.

Non-Government Organisations

A range of non-government organisations – along with researchers and ALAC – replaced Prohibitionists as key actors on alcohol. The medical profession became increasingly involved. The Colleges of Physicians and Psychiatrists stated that risky consumption had

dramatic impacts on health and the economy, and they recommended improved treatment and taxation reform (RACP 2005, 6-7). The Law Commission received submissions from doctors, nurses, drug and alcohol workers, district health boards, primary health groups, and the drug and alcohol treatment sector (Law Commission 2010, 80). The Commission found concerns raised by the Presidents of the 13 medical colleges about the harms caused by intoxication and abuse particularly persuasive (Law Commission 2009b, 44). The Commission also gave considerable weight to a submission signed by hundreds of health professionals including Chairs and Presidents of the Medical Colleges of New Zealand, the New Zealand Medical Association, the New Zealand Nurses Organisation, and the National Addiction centre (Law Commission 2010, 80). Medical organisations also advocated increasing the MLDA and a minimum pricing scheme (Casswell and Maxwell 2005, 124; Law Commission 2009b, 176).

Non-government organisations were increasingly active in debates from the late 20th century. The New Zealand Drug Foundation was created in the late 1980s with a focus on both illicit and licit drugs, including alcohol (NZ Drug Foundation 2014). While the organisation's statement of principles were consistent with harm minimisation, the Foundation supported policy proposals from public health advocates and was an active policy advocate on liquor issues (NZ Drug Foundation 2014). The Alcohol and Drug Association of New Zealand focused on harm minimisation from alcohol, other drugs, and gambling. In addition to service delivery, the Association provided advocacy on alcohol issues (Alcohol and Drug Association NZ 2014). The Law Commission noted the Association's advocacy for the removal of alcohol from supermarkets (Law Commission 2010, 160). An alcohol specific non-government organisation was Alcohol Healthwatch, an organisation that engaged in public health advocacy (Alcohol Healthwatch 2014). Alcohol Healthwatch was formed in the late 1980s and contracted to provide services to Government as well as engage in policy advocacy, its submission to the Law Commission advocated public health based policy initiatives (Alcohol Healthwatch 2014, Law Commission 2010, 97). Alcohol Action NZ started in 2009 due to the Law Commission review and the perceived need for more effective advocacy. The organisation was started by a small group working in the field of addiction treatment but grew to include public health experts (Alcohol Action NZ 2014). Alcohol Action advocated a "5+ solution" that involved: raising the price, raising the purchase age, reducing accessibility, reducing advertising, increasing drink-driving countermeasures, plus increasing treatment for heavy drinkers (Alcohol Action NZ 2014; Kypri et al 2011, 320;

Malpass 2011, 10). The group embarked on an aggressive strategy to influence public opinion and raise awareness (Kypri et al 2011, 430). During the late 1980s there was a consensus among the Department of Health, non-government organisations and the national alcohol research unit that increased availability would lead to increased problems. Casswell et al argued that, despite this consensus, the ideological support for deregulation was too strong and public health advocates failed (Casswell et al 1993, 12-4)

Alcohol Researchers

Alcohol researchers, generally from the public health school, increasingly became involved in alcohol control policy debates. Christoffel argued that from the 1970s, the alcohol research sector replaced the Prohibition movement in opposing the removal of availability restrictions (Christoffel 2006, 50). The sector was influenced by public health ideas and research from Scandinavia and North America (Christoffel 2006, 21-2). Although in the 1970s and 1980s there was little research published in New Zealand, this changed by the late 20th century (RACP 2005, 22). Casswell et al encouraged strategies that included: better timed advocacy, greater use of media, and personal relationships between policy makers and public health advocates (Casswell et al 1993, 15). Although the Laking Committee did not engage with researchers, the Law Commission actively sought out New Zealand based research into the impacts of alcohol and were particularly concerned about the research evidence regarding young people and heavy drinking (Law Commission 2009b, 83 & 100). The Commission argued that there was evidence of correlations between outlet density and harm, and referenced two New Zealand studies (Law Commission 2009b, 100-22; Law Commission 2010, 128).

The most prolific and influential alcohol researcher was the psychologist Sally Casswell. Casswell wrote from a strongly public health position and was part of the alcohol research unit at the University of Auckland, and later the Director of the Social and Health Outcomes Research and Evaluation centre at Massey University. Casswell began publishing alcohol research in the early 1980s (Massey University 2014). She published research into policy activity and assessed the failure of the public health sector to influence the policy process (Casswell and Maxwell 2005, Casswell et al 1993).

ALAC

ALAC was created in 1976 and funded through a specific levy on alcoholic beverages. ALAC quickly became a public health focused policy actor. From 1983 ALAC was “in no doubt” that there was a link between per capita consumption and health, a key tenet of public health. They rejected the disease approach and argued for constraints on access as a way to deal with the harms from alcohol (ALAC 1983, 9). A number of ALAC’s policy objectives were about cementing ALAC as the key adviser to government on alcohol matters. Other objectives were in line with public health priorities on availability controls, licensing, pricing, and advertising controls (ALAC 1983). In the 1980s ALAC was strongly arguing against any increases in availability, an aim endorsed by the Hotel Association (Christoffel 2006, 51). As a government entity, ALAC came under scrutiny at a time when there was a strong neo-liberal push. It was the subject of a 1991 review as the Government had become critical of its position and the Minister had pointed out that ALAC should be more focused on moderation (Casswell et al 1993, 10). ALAC had previously advocated a complete ban on television advertising of alcohol. However, when the public debate on this occurred, there was an absence of advocacy from ALAC (Casswell et al 1993, 14; Casswell and Maxwell 2005, 132). This was considered to have weakened the position of the public health movement that alcohol advertising on television and radio should be banned (Casswell and Maxwell 2005, 132). ALAC was a contributor to the Law Commission and their reports made numerous mentions of evidence submitted by ALAC (Law Commission 2009a, 39; Law Commission 2010, 121).

Other Actors

The Licensing Reform Association was an organisation specific to New Zealand that grew in the 1920s in response to restrictive availability controls. Bollinger was involved in the group and it was a strong advocate for the state control vote (Bollinger 1967, 79). The low level of support for state control would indicate that the group was not influential. The union movement was also a periodic actor on alcohol control, especially with regard to six o’clock closing. New Zealand was heavily unionised in the early and mid-twentieth century and the hotel workers union became an advocate for the retention of six o’clock closing and urged its members to vote as such (Bassett 1998, 147-59). Six o’clock closing therefore had a group of highly unusual bedfellows that included some hotel owners, prohibitionists, and the hotel workers’ union (Malpass 2011, 3). Business lobby groups had an influence with regard to the

transformations in the economy and government in the 1980s. The NZ Business Roundtable became heavily involved with lobbying after the election of the Lange Government in 1984. The Roundtable, and other groups like the Employers' Federation, became strong advocates for major reforms (Kelsey 1995, 75).

7.6 Conclusion

Institutions, especially policy legacies, shaped alcohol control policies in New Zealand. They did not act alone. Instead, they served to structure and shape the influence of actors, ideas and conditions. Political institutions concentrated the power of the executive, yet the timidity of governments to take a position on alcohol saw them leave decisions to the people, independent reviews or the conscience of parliamentarians. This resulted in a somewhat chaotic approach to alcohol control. On two occasions there were major changes that were driven by external crises and new ideas, but the changes were structured by institutions.

New Zealand's political institutions concentrated power in the executive. New Zealand had no written constitution and a unitary state that provided limited responsibility to the judiciary. Courts were used to test laws, not strike them down or arbitrate between levels of government. The first past the post electoral system, which existed for most of the 20th century, virtually guaranteed majority governments. The unicameral parliament (since 1951) ensured that power was further concentrated in the hands of the executive. The Parliament was an active institution with regard to alcohol control as governments used legislation as the primary tool of alcohol control. New Zealand also developed a culture of using the state to intervene in many areas of the economy and society, including alcohol control. By contrast, political parties had little influence. Neither major party held a position on alcohol after 1920, leaving the issue to the people (referenda), external experts (Royal Commissions), or the conscience of parliamentarians (conscience vote). The New Zealand Government created other bodies that influenced, the National Efficiency Board in particular – although its impact on alcohol control was accidental. The Law Commission may also become an influential institution for alcohol control.

Other institutions outsourced the influence to the electorate, external experts, or individual parliamentarians. The policy process took on a somewhat chaotic and unpredictable nature.

Possibly no people on Earth were asked so often what they thought about alcohol issues as New Zealanders. Prohibition, six o'clock closing, local option, restoration, new licences, and Trusts were all put to the people and established this as a way of determining questions of liquor availability. The General Licensing Poll was held concurrently with nearly every General Election and lasted until the 1980s. Governments found the Poll a useful tool to avoid polarising debates, and then habit and an unpreparedness to upset a small but significant minority meant it was retained to the point of becoming farcical. Royal Commissions and independent reviews proved to be influential. There were five major reviews into alcohol control laws and many changes can be traced to their recommendations including: six o'clock closing (National Efficiency Board), General Licensing Poll (National Efficiency Board), LCC (1945 Royal Commission), ALAC (1974 Royal Commission), and the 1989 *Sale of Liquor Act* (Laking Committee). Many made radical recommendations, and governments did not always follow them, but there was a pattern of governments seeking external advice before embarking on changes. Successive New Zealand parliaments used the conscience vote for alcohol control more than any policy area and this ensured chaotic and unpredictable parliamentary debates with significant opportunity for lobbying and amendments. For example, amendments to make six o'clock closing permanent came after little debate or scrutiny. The Parliament was the subject of extensive lobbying with regard to liquor issues, assisted by the conscience vote, which ensured that actors could target each parliamentarian, rather than just the major parties.

Policy legacies proved to be very powerful and influential institutions. Dry areas were sustained because they created incentives to ensure their continuation – residents protecting their property values. They also impacted on the industry by creating incentives for “booze barns” in neighbouring suburbs. In these ways, dry areas became more than just a policy outcome, they structured the industry, drinking, actors and policy debates. Six o'clock closing had a similar impact on drinking, industry, actors, and debates. The needs test and polls on new licences created privileges for existing players and strong incentives to protect their position by working in a “Presbyterian and Publican” coalition with Prohibitionists to stop new licences. Licensing Trusts also became policy actors aimed at preserving their privileged position. While some policy outcomes stimulated a “lock in” effect, the high levels of regulation and protection stimulated a reaction in the 1980s when there was a crisis.

Ideas from abroad were influential at the beginning and the end of the 20th century. In between, New Zealand became a fortress where domestic ideas ruled and others were locked out. Temperance ideas were heavily linked to Prohibition, and as the century progressed they began to be expressed as protecting domestic virtues or the “New Zealand way of life”. The popularity and longevity of prohibitionist thinking made it the most influential of alcohol specific ideas. World War One ensured that broader ideas related to sacrifice and national efficiency gained traction. From the interwar period, New Zealand became a strangely isolated place where the focus was on protecting the country from international influences. It was during this period of ideational isolation that the country developed unique state based approaches to alcohol control such as Licensing Trusts and the General Licensing Poll. Then, with a rush from the early 1980s, ideas around liberalising the state and the economy became highly influential. Perhaps no nation embraced neo-liberal ideas as completely as New Zealand, and their take-up influenced alcohol control as a highly rigid approach was largely swept aside.

Social and economic conditions meant that New Zealand governments at certain points faced crises that drove the need for policy changes. The First World War drove a focus on national efficiency and there were two defining policy measures, six o’clock closing and the General Licensing Poll. In the post-World War Two era, New Zealand benefited from a strong economy and was able to build an interventionist state with high levels of taxation, protection and regulation. As the world economy became more fragile in the 1970s, it became clear that “fortress New Zealand” was not sustainable. This stimulated the Lange Government to instigate sweeping reforms to the economy, government and public policy (including alcohol control).

Actors were influential but heavily structured by institutions. The Prohibition movement was strong in the early 20th century and this was derived from the vigorous support of a number of churches, the WCTU, and a strong umbrella body – the Alliance. The movement used political campaigns to influence public opinion and parliamentarians, had substantial influence during the early part of the 20th century, and retained a perception of having strength long after the reality was different. Undoubtedly this strength (or perception of it) was influenced by the existence of the General Licensing Poll, which gave the movement visibility and a cause every three years. As the threat of Prohibition reduced, the industry increasingly worked to reduce competition – the same aims as the Prohibition movement. In

fact, their real strength was when they worked towards the same ends as the Prohibition movement, particularly to limit new licences from the 1930s to the 1980s. In the 1970s non-government organisations, researchers, and ALAC took over as the major anti-alcohol actors. A consensus was quickly achieved with the industry around stopping liberalisation of the strict availability controls. However, this consensus was not enough to stop the sweeping changes introduced from 1989.

The next chapter will compare and contrast the alcohol control policies of Australia and New Zealand. In particular, the divergence between the policies in Australia and New Zealand will be identified to allow for an analysis of the institutional factors that caused this divergence. The chapter will also assess the findings Australia and New Zealand in Chapters Four to Seven against the findings from other HI studies outlined in Chapter Two.

Chapter 8 Comparative evaluation and discussion

8.1 Introduction

Chapters Four to Seven traced alcohol control policies in Australia and New Zealand from 1900 to 2010 and explored the key influences on alcohol control during the period including: institutions, ideas, actors and socio-economic conditions. These chapters provided a fascinating history in which alcohol controls were hotly debated for much of the period and involved significant conflict between the key policy actors. It was demonstrated that the temperance movement and the industry worked in an unusual blend of collaboration and conflict to promote policy stability for substantial parts of the 20th century. Policy change was constrained by political institutions and feedback from policy legacies – albeit in different ways and to different extents across both countries.

Alcohol and alcohol control policies were an important part of the broader policy and cultural environment in Australia and New Zealand. Chapters Four to Seven outlined similarities in key actors, ideas and social and economic conditions that set the context in which alcohol control policies were made. Yet despite these similarities Australian and New Zealand alcohol control policies did not follow the same path. In all areas the policies in the two countries diverged and different opportunities were provided for actors and ideas to influence the path of policy development. Through much of the 20th century, Australia and New Zealand had very different ways of regulating and controlling the sale, consumption and effects of alcohol.

Whereas the previous chapters considered the policies and influences in each country in isolation, this chapter will compare and contrast the approaches in Australia and New Zealand during the period. This will include a comparative assessment of the six main policy instruments of alcohol control: taxation, availability controls, drink-driving countermeasures, treatment, advertising controls, and national alcohol policies. In each of these policy instruments there was significant divergence in the approach between Australia and New Zealand. This chapter will particularly focus on the oldest, most hotly contested, and most used area of policy – availability controls. There was no area of policy that better demonstrated the high levels of divergence – despite the many similarities of the two

countries. This chapter will detail each of the major areas of divergence in alcohol control policies between the two countries and explore the mechanisms that shaped the divergence. Institutions – both political institutions and policy legacies – were the key differences between the two countries that influenced how ideas and actors influenced the evolution of alcohol control policy in Australia and New Zealand.

Chapters Five and Seven outlined the major differences in the formal political institutions and policy legacies in Australia and New Zealand that had the potential to shape and mediate the alcohol control policies in both countries. These chapters demonstrated that the ideas, key actors and socio-economic conditions that set the environment for alcohol control policy making were very similar. However, there were key differences between Australian and New Zealand institutions. The formal political institutions in New Zealand concentrated power in the hands of the Executive, while in Australia they dispersed power and provided significant veto points for governments. The most significant of these political institutions that differed was the division of powers, with Australia a federation and New Zealand a unitary state. Similarly, it was shown that the legacies from previous policy decisions were another institution that differed and had the potential to shape and mediate, consistent with the arguments of HI scholars like Paul Pierson (2004) and political scientists like Theodore Lowi (1964, 1972, 1987). Key policy decisions made in New Zealand to introduce a General Licensing Poll were identified as potentially important in shaping the divergence in alcohol controls after World War One. The formal political institutions and policy legacies resulted in a system where the state had developed significantly greater capacity to intervene in the economy and society in New Zealand. This chapter will detail the institutions that were most likely to provide an explanation for the areas of policy divergence.

An important question to consider is why did New Zealand alcohol control policy diverge from Australia? This chapter will build the case that New Zealand's introduction of the General Licensing Poll in 1918 – combined with other political institutions – had the most significant shaping effect on the policy development path throughout much of the 20th century. The Poll influenced key actors, ideas, and governments. It interacted with other institutions to send New Zealand alcohol control policies down a path of rigid stability, while Australia continued along a path of incremental change. This was despite the New Zealand executive having more concentrated power and greater capacity to legislate for change. This highlighted that different policy legacies were the most powerful influence, combined with

the different political institutions (especially the division of powers), on the divergent comparative alcohol control policy paths in Australia and New Zealand.

Chapter Two outlined the development of HI as an approach to the comparative study of public policies across countries. The chapter highlighted some of the key findings and claims made by HI scholars about the important role that institutions play in shaping and mediating the development of public policy. This chapter will return to those key claims in light of the findings outlined in Chapters Four to Seven and the explanations for policy divergence put forward. It will do this by taking the key claims about the role of institutions and the nature of public policy making developed by HI scholars and comparing them with the experience of alcohol control policies in Australia and New Zealand during the period. This will highlight that the HI approach and claims provided valuable insight that could shed new light on the comparative course of Australian and New Zealand alcohol policies. This chapter will conclude by outlining a model for explaining the policy divergence through reference to the shaping and mediating influence of institutions on alcohol control policies.

8.2 Alcohol Control Policy Divergence between Australia and New Zealand

Chapters Four to Seven highlighted the major developments across the range of policy instruments used in Australia and New Zealand during the period 1900 to 2010. The following section and **Tables 3 to 8** summarise the major policy developments during the period and the key points of divergence between Australia and New Zealand against each instrument of alcohol control policy. A general point of divergence between Australia and New Zealand was that each Australian State had a different approach to alcohol control for the instruments where they had jurisdiction (especially availability controls), whereas New Zealand had a single and national approach across all policy instruments. This was a clear demonstration of how the different division of power arrangements between the two countries supported divergence and confirmed the findings of other historical institutionalists (Weir 1992, Dunlavy 1992, Hacker 1998, Clemens and Cook 1999) about the importance of this political institution in shaping policy. The following sections will discuss the areas of divergence and explore some of the institutional differences that shaped this divergence.

Table 3 – Policy divergence: Australia and New Zealand (alcohol taxation)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 Important source of revenue and differential excise for each beverage category 1900-2010 Reduction in proportion of total taxation revenue 1901 Alcohol taxation becomes a responsibility of the Commonwealth 1979 excise reduced on brandy 1983 excise indexation introduced 1984 sales tax on wine introduced 1984 excise reduced on light beer 1992 NT Government introduced hypothecated levy 1997 High Court ruled LWA levy unconstitutional 2000 excise on draught beer reduced 2000 GST introduced and WET replaced sales tax 2009 excise on “alcopops” increased	1900 Important source of revenue and differential excise for each beverage category 1900-2010 Reduction in proportion of total taxation revenue 1921 excise doubled on beer, spirits and wine 1958 excise doubled on beer and spirits 1976 ALAC levy introduced 1979 sales tax introduced on beer and increased on spirits 1984 excise reduced on light beer 1986 wine tax changed from value based to volumetric 1986 GST introduced 1989 excise indexation introduced 1989 excise simplified to two rates (above or below 24% abv) 2002 excise threshold reduced from 24% to 15%	Moderate divergence 1. Major excise increases in New Zealand (1921 & 1958) but not in Australia 2. ALAC Levy (hypothecated) introduced in New Zealand but attempts in Australia struck out by High Court 3. Excise used for industry protection in Australia in 1979 and 2000 with reductions on brandy and draught beer, but not in New Zealand 4. Excise reduction on light beer more significant in Australia 5. Move to volumetric taxation of wine in New Zealand in 1987 but not in Australia 6. Greater simplification in the New Zealand system from 1989

In 1900, both Australia and New Zealand had a tradition of taxing alcohol (through customs and excise) that formed a significant component of the government revenue base (Smith 2004, Easton 2002). This reliance declined substantially as the century progressed due to the growth in other forms of direct taxation. Both countries taxed spirits at a higher rate due to concerns about the damaging nature of the product, and taxed imported wine through customs duties – but as New Zealand did not produce wine until later in the 20th century there was no excise (Smith 2004, Christoffel 2006). The Australian colonies of Victoria and South Australia had produced wine from the middle of the 19th century and it was not taxed, either through excise or sales tax (Smith 2004). While availability controls became the responsibility of State Governments in Australia in 1901, taxation was the responsibility of

national governments in both countries. Alcohol taxation therefore experienced greater levels of similarity, although different political institutions and policy legacies shaped the moderate policy divergence.

In both Australia and New Zealand there was a pattern of periodic changes in the rate of excise after significant debate and conflict. Beer excise increases in Australia were hard fought until the introduction of automatic indexation in 1984 (James 1996). There was less debate about spirits excise as they were largely imported. New Zealand was similar, although there were two cases of excise being doubled for beer and spirits in one swoop (1921 and 1958) (Bassett 1998). In both cases, the governments of the day used concentrated executive powers and higher levels of state capacity to introduce dramatic changes. The 1958 changes were part of the “black Budget” which was considered to have brought down the Government (Christoffel 2006, Vosslander 2010). Unsurprisingly, there were no further excise changes in New Zealand for 18 years as Governments became nervous about increasing the excise on alcohol (Bassett 1998, Ashton and Casswell 1986). However, the 1970s brought external pressures in both countries, and high inflation meant that excise was rapidly falling in real terms.

Comparative alcohol taxation from 1900 until the 1970s was a story of similarity; the first major divergence came in 1976 when the New Zealand Government introduced the ALAC levy – a hypothecated tax to fund education, treatment and research – in response to a recommendation from the 1974 Royal Commission (Easton 2002, Law Commission 2009b). Later, in 1992, the NT Government in Australia introduced a similar tax on alcoholic beverages (Chikritzhs et al 2005, Ryder 2008). However, five years later the institutional differences between the two countries were highlighted when the Levy was struck down as unconstitutional through an unrelated case in the High Court (the *Ha Case*). The levy was deemed to be unable to be collected constitutionally by any level of Government other than the National Government (Ryder 2008, Loxley et al 2005). The comparative fates of the ALAC and LWA Levy highlighted the important impact of institutional differences, especially the: division of powers, constitution, and the judiciary.

From the late 1970s both countries introduced changes to alcohol taxation and used it for new purposes, although in different ways. In 1979, the Australian Government reduced the excise on brandy to support the grape growing sector (Webb 2006). This was the first, but not the

only, time that they used excise to support sections of the industry. Both the wine grape industry and hoteliers were supported, the latter through the 2000 reduction in excise on draught beer (Smith 2004). The New Zealand Government never used alcohol excise in this way. Australia, with its legacy of supporting the wine industry and the on-premise hotel sector was able to introduce these changes. In 1984 both countries lowered excise rates on low alcohol beer to stimulate their production and consumption, and therefore use taxation for public health. In Australia, the strategy stimulated production and consumption, whereas it had limited impact in New Zealand (where it was introduced more modestly) (James 1996, Ashton and Casswell 1986).

By the mid-1980s, the alcohol tax arrangements in both countries looked remarkably similar, with the exception of the ALAC Levy. The 1980s was a period of rapid transformation in New Zealand. A GST was introduced in 1987 and volumetric (rather than value based) taxation was introduced (Easton 2002, 2003). Following a review, there were further changes in 1989. The changes simplified the arrangements by introducing two levels of excise, one for products under 24% abv and another (at double the rate) for products over 24% (Easton 2002, 2003). This simplification included a commitment to eventually have just one excise rate, beer and wine excise was to be lifted by CPI and spirits held stable until they aligned. However, the New Zealand Government soon returned to lifting both rates by CPI and maintained the differential (Law Commission 2010). This was an example of where reforms did not stick. This simplification and move to volumetric taxation of wine was often advocated in Australia, but not pursued. Even when the GST was introduced in 2000, and there needed to be a new arrangement for the taxation of wine, the Government chose to introduce another value based tax – the Wine Equalisation Tax – rather than a volumetric tax (Smith 2004). There were a number of potential reasons. Firstly, the 1980s was a period of significant reform and the reforming Lange Government used the concentrated executive power to introduce this and other changes. Secondly, the federal division of powers impeded major change that would have a negative impact on the wine producing states, like South Australia, who opposed changes strongly. Thirdly, despite taxation being a national government responsibility in both countries, the power afforded Australian Governments to make changes was far less. Finally, the New Zealand wine industry developed much later than in Australia and was both smaller and quality focused (therefore benefited from volumetric rather than value based tax). Australia also had quality wine producers, but bulk

producers were advantaged by value based tax and opposed volumetric tax. Institutions and market structures therefore provided different opportunities for change.

New Zealand and Australian Government decisions to harmonise rates also created incentives and unintended consequences. In New Zealand, the spirits industry created a unique product – “light” spirits – to a concentration of 23% abv to pay the lower rate of excise. They became very popular, especially with younger drinkers. This was an unintended consequence of treating beverages according to concentration, rather than category. The Government removed the incentive to produce “light spirits” by shifting the threshold in 2002 (Easton 2003, Casswell and Maxwell 2005). This was similar to the experience in Australia after tax rates were harmonised for beverages less than 10% abv in 2000. As a result, there was an increase in the production of RTDs, spirit based products of less than 10%, especially with younger drinkers (Vandenberg et al 2008, Fitzgerald and Jordan 2009). In many respects the spirits industry had itself to blame for their differential treatment. When Governments made changes producers sought to “get around” the regime, highlighting how policies provide incentives for actors to respond in certain ways and resulted in unintended consequences.

Availability Controls

Table 4 – Policy divergence: Australia and New Zealand (availability controls)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 Only area of alcohol control policy 1900 Sunday trading banned in all colonies 1900 Strict licensing controls in place on availability, including prohibition for aborigines, restrictions on new licences 1900 Local option in place in all Australian colonies, except Western Australia – with a range of different approaches across States, including: scale of districts, resolutions submitted, rules governing polls, and effects of resolutions	1900 Only area of alcohol control policy 1900 Sunday trading banned 1900 Strict licensing controls in place on availability, including prohibition for Maori, restrictions on new licences 1900 Elected licensing boards in place to determine licences 1900 Local option in place with licensing districts aligned with electoral districts and polls at every General Election with local prohibition or reduction 1900-1910 Twelve licensing	Significant divergence 1. National prohibition question introduced to local option polls at each General Election in 1910 in New Zealand, whereas the national prohibition question was never put nationally in Australia and only 7 times in 4 states from 1920-1950 2. Six o'clock closing introduced in 4 states in Australia during World War One, but nationally in New Zealand (initially for the duration of the War only, but made permanent in 1918) 3. New Zealand introduced

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
<p>1901 Not mentioned in Constitution therefore a responsibility of the States</p> <p>1911 Western Australia introduced local option</p> <p>1900s-1920s Some States operate Licence Reduction Boards (Vic, NSW, WA)</p> <p>1915 Six o'clock closing introduced in South Australia</p> <p>1916 Six o'clock closing introduced in New South Wales, Victoria and Tasmania</p> <p>1920 First prohibition referendum in Queensland</p> <p>1923 Second prohibition referendum in Queensland</p> <p>1923 Eight o'clock closing introduced in Queensland</p> <p>1925 First prohibition referendum in Western Australia</p> <p>1928 First (and only) prohibition referendum in New South Wales</p> <p>1930 First prohibition referendum in Victoria</p> <p>1937 Six o'clock closing removed in Tasmania through direct legislation</p> <p>1938 Second prohibition referendum in Victoria</p> <p>1947 Referendum held to remove six o'clock closing in New South Wales (unsuccessful)</p> <p>1950 Second prohibition referendum in Western Australia</p> <p>1954 Referendum held to remove six o'clock closing in New South Wales (successful)</p> <p>1956 Referendum held to remove six o'clock closing in Victoria (unsuccessful)</p>	<p>districts go dry, largely in rural South Island</p> <p>1910 National prohibition question introduced at local option polls with the removal of local reduction</p> <p>1910 MLDA increased to 21, closing to 10pm, take-away licences abolished, and employment of women and entertainment banned</p> <p>1917 National six o'clock closing introduced for the duration of the War</p> <p>1918 National six o'clock closing made permanent</p> <p>1919 Special national licensing poll</p> <p>1919-1987 Removal of local option and introduction of General Licensing Poll at every General Election</p> <p>1918-1945 Electoral redistribution shift dry areas from rural areas to suburbs of major cities</p> <p>1943 Invercargill voted for restoration of licences</p> <p>1944 Invercargill established as the first Licensing Trust</p> <p>1945 Boundaries of dry districts frozen, more than 40% of Aucklanders in dry areas</p> <p>1948 Licensing Control Commission established</p> <p>1948 Restrictions on Maori removed</p> <p>1949 Referendum held to remove six o'clock closing (unsuccessful)</p> <p>1962 Women allowed to work as barmaids</p> <p>1960s LCC reviewed appearance and cleanliness of licensed venues</p> <p>1967 Referendum held to</p>	<p>a General Licensing Poll in 1918 on the question of national continuance, state control or prohibition that lasted until 1987; yet Australia never held a national referendum on prohibition</p> <p>4. From World War One until the late 1980s there was relative rigid stability in New Zealand availability controls, whereas there was more change in the Australian States</p> <p>5. New Zealand introduced Licensing Trusts from 1944 in local areas that voted for restoration of licences, whereas Australia never incorporated any state or municipal control of the trade</p> <p>6. New Zealand removed the restrictions on Maori a decade before the first Australian State removed restrictions on aborigines</p> <p>7. Australian States that implemented six o'clock closing began removing it from 1937, generally through legislation; New Zealand was last to remove it after a referendum</p> <p>8. New Zealand introduced a strong national regulatory authority in 1948, the Licensing Control Commission, that took a more active and interventionist approach than any Australian State authority</p> <p>9. By the 1980s availability controls had diverged with New Zealand having: a General Licensing Poll, a more rigid needs test, many dry areas, Licensing Trusts,</p>

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1950s Licensing across all States and Territories aimed to control the number of licences, to control opening times and to establish rules for licensees 1957-1972 all States repealed prohibition for aborigines 1966 Six o'clock closing removed in Victoria through direct legislation 1967 Six o'clock closing removed in South Australia through direct legislation 1960s-1990s Sunday trading bans removed across all States and Territories 1980s South Australia, Western Australia and the Northern Territory passed legislation to allow prohibition or restrictions in remote aboriginal communities 1980s, 1990s and 2000s Each State and Territory gradually deregulated by making licences easier to gain and removed restrictions on them	remove six o'clock closing (successful) 1984 General Licensing Poll, needs tests on new licences, dry areas, no Sunday trading, MLDA of 20, Licensing Trusts 1989 needs test on new licences removed 1989 General Licensing Poll abolished 1989 Opening hours restrictions removed 1989 Requirement for hotels to provide accommodation removed 1989 Threshold for restoration of licences reduced 1989 Supermarkets allowed to sell wine 1989 Licensing Control Commission replaced with Liquor Licensing Authority 1999 No dry areas remained 1999 Sunday trading restrictions removed 1999 Supermarkets could sell beer, in addition to wine 1999 MLDA reduced to 18	an MLDA of 20 and no Sunday trading 10. The 1989 changes in New Zealand were radical and dramatically freed up the restrictions (removed the General Licensing Poll and needs test, allowed supermarkets to sell wine, no requirement to offer accommodation), although the conscience vote meant that some proposed reforms failed 11. The 1999 changes in New Zealand continued the reforms (notwithstanding amendments overturned due to the conscience vote) by: removing Sunday trading restrictions, reducing the MLDA to 18, and allowing beer to be sold in supermarkets; although the Australian States freed up their restrictions, nothing as radical as the New Zealand changes were attempted

In 1900, availability controls were the dominant alcohol control policy in Australia and New Zealand. Strict licensing controls, limits on hours and days of sale, purchase restrictions, and local option polls were all in place. Prior to 1901, each Australian colony had a different approach and these differences remained when the States retained jurisdiction in 1901 (Lewis 1992, Fitzgerald and Jordan 2009, Room 2010). Licensing legislation was well established and new licences were difficult to gain in Australia and New Zealand, where licence numbers were in decline. Sunday restrictions and early closing were features as well as bans on sale to Aborigines and Maori. Local option was in place in all jurisdictions except Western Australia. However, there were important differences between local option in Australia and New Zealand. From 1893, New Zealand licensing districts were brought into line with

electoral boundaries, and the question of local prohibition, reduction or continuance was put in conjunction with each General Election (Christoffel 2006, De la Mare 1981). In Australia, local option polls were held irregularly and local prohibition occurred rarely (Fitzgerald and Jordan 2009). In New Zealand, a tradition of regular polls on the question of liquor was established, and local no-licence was introduced in a number of districts (which were much larger than Australia's). During the period, availability controls in Australia and New Zealand experienced significant levels of divergence.

New Zealand removed the local reduction option in 1910 and incorporated a National Prohibition question at each General Election, paving the way for further changes during World War One – a major crisis for both countries (ALAC 2012, Bollinger 1967, Law Commission 2009b). Six o'clock closing was introduced in South Australia in 1915. This was followed in 1916 by Victoria, NSW and Tasmania, although not by Western Australia or Queensland (Room 2010). National sacrifice was a factor along with the harmonisation with shop trading hours. New Zealand also legislated for six o'clock closing in 1917, initially for the duration of the war (De la Mare 1981, Bollinger 1967, ALAC 2012). Because of the unitary state this meant national six o'clock closing. Six o'clock closing was made permanent the following year during the debate on another bill (Christoffel 2006, Malton-Murray and Cocker 1930). The conscience vote and concentration of power in New Zealand led to the changes being passed with little scrutiny. But the most significant change in New Zealand was the introduction of a General Licensing Poll in 1918, an arrangement which lasted for seventy years.

The General Licensing Poll was held at each General Election with the options of continuance, prohibition or state control (Christoffel 2006, De la Mare 1981). Linking National Prohibition with General Elections was a feature of New Zealand alcohol control. While it did not lead to Prohibition (it came close), the Poll became the touchstone for conflict and helped to set in stone the controls during World War One. The question put to the electorate did not change during the entire seventy years. In Australia, four states held prohibition referenda between 1920 and 1950 – starting in Queensland (QLD Parliament, Government of Western Australia 2012, Argus 1945, NSW Electoral Commission 2012). Two states legislated for prohibition referenda. Western Australia legislated that polls be held every five years, yet only held two (1925, 1950). Victoria legislated polls every 8 years and held two (1930, 1938) before removing the legislation. The approaches to Prohibition

polls were very different. The reasons can be found in New Zealand's institutions: a unitary state, concentrated executive power, and a legacy of holding referenda in conjunction with General Elections. World War One was a critical juncture and the divergence showed how New Zealand alcohol control was prone to major changes at times of crisis.

From World War One in Australia and New Zealand key actors supported and locked in policy settings, particularly the granting of new licences. For temperance campaigners this suited their support for limiting the “demon drink”, and for existing hoteliers it helped to keep out competitors and boost the value of their licence. Similar to Yandle's (1983) observation of “Bootleggers and Baptists” in the United States, Australia and New Zealand had strong coalitions to preserve the strict controls – a “Presbyterian and Publican” coalition. However, this was more pronounced in New Zealand where policy legacies combined with political institutions to intensify the “path dependence” (Bollinger 1967, Christoffel 2006). Although Australian controls were also prone to lock-in, New Zealand experienced less change and by the 1980s more closely resembled the approach during World War One. This was demonstrated by: more dry areas, national early closing lasted longer, the General Licensing Poll at each election, days of trade restrictions lasted longer, high MLDA lasted longer, the needs test was more rigid, and state agencies had greater control over the trade. New Zealand's policies also led to different market consequences and actors. Dry areas created groups of residents with a strong interest in keeping licences out (to preserve property values) and helped to create massive hotel complexes in neighbouring districts (booze barns) (Bollinger 1967, Christoffel 2006). The General Licensing Poll ensured ongoing strength for the temperance movement, and the rigid needs test created more value in existing hotel licences that gave them more to lose if the barriers were freed up (Christoffel 2006). Comparing New Zealand and Australian availability controls during this period highlighted how policy legacies shaped and mediated the evolution of availability controls.

There were numerous features that helped to explain the divergence in availability after World War One. Different policy decisions and their feedback were particularly influential factors. From 1910, when the national prohibition poll was introduced, New Zealand's arrangements ensured that liquor questions were always high on the public agenda – especially at election time (Christoffel 2006, Law Commission 2009b). Key actors – temperance and the industry – and governments had an arena for alcohol debates. This became the way that alcohol policy questions were settled in New Zealand. Although

governments made some changes in the following seventy years, key questions were referred to referenda or the General Licensing Poll and the power of the Prohibition movement and the industry were on show every three years, helping to convince governments not to act. The General Licensing Poll – and other institutions – shaped the environment and made it less able to accommodate changes than Australia as new tools or ideas emerged.

A defining difference was the introduction of Licensing Trusts in New Zealand in 1944, as a result of Invercargill voting to restore licences. Australia never used state or local municipal control of the liquor trade, whereas New Zealand was willing to use the powers of the state to not just regulate the industry, but to pseudo nationalise it. The timing of the vote in Invercargill also influenced, as during World War Two there was a focus on using the powers of the state for the greater good and an upturn in support for state control of liquor (the 1945 Royal Commission recommended nationalisation of the breweries) (Christoffel 2006, Bollinger 1967, Bassett 1998). Institutions also shaped the divergent approach. Australia had limited dry areas and no restoration polls. They were therefore unlikely to be in the situation that the New Zealand Government found itself in 1944, demonstrating how previous policy shaped decisions. Australian States also lacked the concentrated power to introduce such a policy. State parliaments had an Upper House, who would have viewed such a move with scepticism. Similarly, the Constitution (as interpreted by the High Court) established constraints on the States. The combination of policy legacies and political institutions made Licensing Trusts unlikely to ever be implemented in Australia.

One area where New Zealand made changes well before Australia was in relation to Maori. In 1900, Australian States and New Zealand had prohibition for Aboriginal and Maori. From the middle of the 20th century, race based controls were removed. New Zealand moved first in 1948 and went further than the 1945 Royal Commission, which recommended removing restrictions for servicemen only (Hutt 1999, Christoffel 2006, Law Commission 2009b). Instead, the Government took a broader view of allowing equality for the entire Maori population. Australian States removed restrictions on Aboriginal people between 1957 and 1972 (Brady 2008, Fitzgerald and Jordan 2009, Lewis 1992). It was interesting that New Zealand made changes before Australia, given that their controls were generally tighter. The key difference was institutional; the New Zealand system was heavily based on the Treaty of Waitangi. Although New Zealand had no formal written constitution, the Treaty set out the

principles of equality between Maori and the British and became an important tenet for governing (Palmer 1987, Ringer 1991).

Between World War One and the 1980s there were a number of gradual changes in Australia. This pattern of policy change was consistent with the process of institutional evolution identified by HI scholars (Hall 1993, Hecllo 1974, Thelen 2000, March and Olsen 1989, Pierson 2003). The States that introduced six o'clock closing all removed the restrictions. Tasmania was first in 1937 through legislation introduced by the Government (Luckins 2007). Next was NSW where the issue was put to a referendum in 1947, although unsuccessful a further referendum in 1954 resulted in the end of six o'clock closing (Lewis 1992, Dillon 1985). New Zealand held a referendum to repeal six o'clock closing in 1949 that was resoundingly defeated (Bassett 1998, Christoffel 2006). Victoria then held a referendum in 1956 that was also unsuccessful (Harden 2010). For the next ten years only Victoria, South Australia and New Zealand had six o'clock closing. It was finally swept aside in 1966 and 1967. Victoria repealed it through legislation in 1966 and South Australia followed suit in 1967 (Room 2010). Finally, in 1967, the question was put in New Zealand and they voted for later closing (Christoffel 2006, ALAC 2012, Bassett 1998). Six o'clock closing was remarkably resilient for a "temporary" policy introduced during World War One. Six o'clock closing was a failure as it resulted in awful drinking conditions, yet in New Zealand and two States it lasted until well into the 1960s. This demonstrated how policies, even poor ones with unintended consequences, were sticky and difficult to change. New Zealand was the last jurisdiction to repeal six o'clock closing, the General Licensing Poll and fear of provoking Prohibitionists meant that Governments only dared to put the question to a referendum (and not legislate) after all Australian States had repealed it. Although New Zealand Governments had greater power to legislate, their unwillingness to do so was because they had become used to not taking legislative action unless the issue was put to a referendum.

The state played a role in both countries through the licensing and enforcement functions. In New Zealand the LCC (established in 1948) became an all-powerful body that reviewed licences, supervised licensing committees, and sought to improve hotel standards (Ringer 1991, ALAC 2012, Stewart and Casswell 1986). It was this last function that differentiated the LCC from its Australian counterparts, and it was a great irony that there was a need for the state to improve hotel conditions which had been caused by state controls (six o'clock

closing, dry areas, low licence numbers). This was not the only example of New Zealand using the powers of the state to control availability more than in Australia.

New Zealand availability was more rigid and less accommodating of changes from World War One to the 1980s. Although there were some changes, there were substantially less than in Australia. The rigidity and path dependence *was therefore relative, not absolute*. New Zealand's lack of any real change since World War One stood out with: a General Licensing Poll every three years, a rigid needs test, numerous dry areas, Licensing Trusts, the requirement to offer accommodation, limited off premise sales, an MLDA of 20, and no Sunday sales. There was significant divergence from World War One to the 1980s. The reasons for the divergence were due to the different policy legacies in New Zealand (the General Licensing Poll, dry areas, and six o'clock closing) and the stronger lock-in effects from actors forming a "Presbyterian and Publican" coalition.

The 1980s saw further divergence as there were massive challenges to the economy and new ideas that gained credibility amongst academics and economists. Australia and New Zealand responded in very different ways and this had a major impact on availability controls. Australia continued with gradual reforms to free up availability controls (although Victoria embarked on more significant reform), especially after 1994 and the intervention of the Commonwealth through the NCP (Lewis 1992, Stockwell 1994, Livingston 2010). However, New Zealand implemented radical reform and major changes to the *Sale of Liquor Act* in 1989 (Christoffel 2006). These reforms shifted New Zealand from the most restrictive availability controls to the least restrictive. They occurred through direct legislation rather than through the referendum. From 1984 the country embarked on the most significant economic, fiscal, and government reforms in its history in line with the neo-liberal school of economic thought (Kelsey 1995). The economy, society, finances and role of the state in Australia changed incrementally when compared to the radical transformation in New Zealand. This period in New Zealand demonstrated that alcohol control policy making followed a different pattern to Australia. The path was consistent with "critical junctures" or "punctuated equilibrium" as identified by historical institutionalists – in particular Collier and Collier (1991); Steinmo, Thelen and Longstreth (1992) and building on the work of Kingdon (1984) and March and Olsen (1989). This policy development path incorporated rare periods of significant and rapid change that punctuated long periods of stability or path dependence, and was shaped and mediated by domestic political institutions and policy legacies.

The Lange Government implemented a radical transformation of availability controls. In 1986 they established a Working Party to report into the liquor laws, the Laking Committee. The Committee argued that existing availability controls were out-dated and needed to be dramatically reformed. The recommendations were comprehensive, including tearing down many foundations of availability controls for most of the 20th century: removal of the needs test, removal of the General Licensing Poll, allowing supermarkets to sell liquor, removing opening days and times restrictions, abolishing dry areas, not requiring hotels to provide accommodation, reducing the MLDA to 18, and subjecting Licensing Trusts to competition. The recommendations were truly radical (Christoffel 2006, Casswell and Maxwell 2005, Law Commission 2010). In 1989 most of these recommendations were legislated by the Government, the Bill was sent to a Committee and it was at this stage and the final vote that amendments were made. The final Act was watered down due to the conscience vote which allowed parliamentarians to make amendments and vote without reference to a party position. Dry areas were retained, wine only could be sold in supermarkets, Licensing Trusts retained their monopoly, Sunday restrictions were retained, and the MLDA remained at 20 (Ringer 1991, Christoffel 2006, Law Commission 2010). After these amendments, New Zealand availability controls went from the most restrictive to the least restrictive when compared to the Australian States. The changes demonstrated the concentration of power in the New Zealand executive and their capacity to introduce major changes at certain times, with the conscience vote forming the only real check on this power.

A review in 1997 made recommendations that called for the Government to “finish the job” of reform by: opening Licensing Trusts to competition, removing Sunday trading restrictions, allowing all alcoholic beverages to be sold in supermarkets, and reducing the MLDA to 18. The Government drafted a Bill that closely resembled the recommendations and succeeded in getting most through the Parliament. The recommendations that did not pass were: opening Trusts up to competition and allowing all alcoholic beverages to be sold in supermarkets (spirits could not be sold) (ALAC 2012, Law Commission 2009b/2010, Casswell and Maxwell 2005, Christoffel 2006). During the 1980s, 1990s and 2000s the Australian states also reviewed their availability legislation. The reviews led to a continuation of the ongoing incremental change in Australia, although Victoria did make more substantial changes (Livingston 2010). By 2000 most States had removed the needs test, arrangements for off-licences had been opened up (although few allowed supermarkets to sell liquor), the MLDA

was 18, and days and times of trade had been freed up. However, no State embarked on reforms as massive as those in New Zealand. Their experience raises the question of why the country so radically changed direction in availability controls when the Australian States experienced a gradual shift.

Whereas policy legacies and political institutions shaped the rigid stability from World War One, political institutions that concentrated executive power shaped major and rapid change in the 1980s in New Zealand. The electoral and party systems ensured that either of the two major parties could be virtually guaranteed a majority in the Parliament (Kelsey 1995). New Zealand also had a unicameral Parliament and Australian State Governments rarely held control of the upper house, an institution that took its position as a house of review seriously. Therefore States would either not pursue dramatic reform or, if they did, legislation could be rejected, delayed or amended. New Zealand also had a tradition of using the state and legislation for implementing social and economic controls to a greater extent than Australia. Key government agencies, in particular the Treasury, were also influential in New Zealand. Although these agencies had influence in Australia, no Treasury was ever so influential in steering economic, fiscal, and government reforms (Kelsey 1995). The 1980s saw entrenched policy legacies swept aside in New Zealand, in particular the use of referenda and the General Licensing Poll.

There was one political institution that served as a check on power in New Zealand. The parliamentary conscience vote ended up playing an entirely different role to that which it played during World War One. In 1918, it helped make six o'clock closing permanent (until removed in 1967), from the original legislation that would have seen it end six months after World War One (Christoffel 2006, De la Mare 1981). In both 1989 and 1999, when legislation to radically amend availability controls was introduced and debated, the conscience vote resulted in a number of reforms being rejected or amended. As an institution of the New Zealand Parliament specific to issues like alcohol, the conscience vote made legislating chaotic and unpredictable (Law Commission 2009a). In Australia the greater dispersal of power through: the federal division of powers, formal constitution, judicial review, bi-cameral Parliaments, and reduced state capacity, all combined to limit governments from making rapid and substantial reforms. In New Zealand, these institutions either did not exist or were less of a check on the power of the Executive. In 1989 and 1999 the major check on power proved to be the conscience vote, an accidental institution borne of

the fear of taking a formal position on alcohol issues. It allowed actors to influence the outcome by lobbying individual parliamentarians in the knowledge that they would not be bound by a party position (Mulgan 1984, Law Commission 2009a).

Availability controls best highlighted the divergence between Australia and New Zealand. While both countries were subjected to similar pressures, Australia introduced gradual and incremental change, whereas New Zealand introduced major changes in World War One, followed by rigid stability, and then further major changes in 1989. New Zealand started the period with similar availability controls to Australia, by the middle of the period had much more restrictive controls, and then at the end of the period had less restrictive controls. Compared to the relative calm of Australian availability controls, New Zealand was a rollercoaster. The reasons for the divergence can be explained by New Zealand's political institutions that concentrated power and heightened state capacity, policy legacies that removed availability from the agenda, and the conscience vote that made availability chaotic and unpredictable. These unique institutions provided opportunities and impediments for ideas and actors at points in time. Institutions provided different opportunities in Australia.

Drink-driving countermeasures

Table 5 – Policy divergence: Australia and New Zealand (drink-driving)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 Not an area of alcohol control policy 1901 Not mentioned in Constitution therefore a responsibility of the States 1962 Victoria introduced the breathalyser and .05 as the BAC 1976 RBT introduced in Victoria 1988 RBT introduced in all States and Territories (Queensland and Western Australia the last) 1980s Each State and Territory introduced a BAC of either .05 or .08 1980s Victoria introduced a zero BAC for first year drivers 1990s Each State and Territory had followed Victoria's lead and	1900 Not an area of alcohol control policy 1966 BAC of .08 and voluntary blood testing introduced 1969 Breathalyse and compulsory blood testing introduced 1970s random screening, evidential breathalyser and drink driving campaigns introduced 1993 compulsory RBT introduced 1993 .03 BAC for drivers under 20 introduced	Significant divergence 1. Victoria's lower BAC of .05 eventually implemented in each State and Territory by the 1990s, but New Zealand stayed with a BAC of .08 throughout 2. RBT introduced in each State and Territory by 1988 with a significant testing regime, New Zealand only introduced RBT in 1993 with a more limited testing regime 3. Strong and certain punishment for

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
introduced a BAC of .05 1990s tough penalties for drink driving in place in all States and Territories 2000s all States and Territories had introduced a zero BAC for first year drivers	2005 tougher penalties for serious and repeat offenders	transgression introduced in each State and Territory but a weaker regime in New Zealand

Drink-driving countermeasures were another area of significant policy divergence. There was a consistent approach in New Zealand (due to the unitary state), but a different approach in each Australian State. Australia introduced among the strongest countermeasures of any country in the world, and was recognised as a leader in terms of policy action and outcomes (Homel 1990). Australia experienced a major reduction in drink-driving deaths and injuries as a result (Hall et al 2010). The major policy instruments used were a low BAC above which driving was illegal, certainty of punishment for transgression, and a comprehensive RBT regime (Henstridge et al 1997, Homel 1990, Loxley et al 2005). In New Zealand there was a higher BAC, less RBT, and weaker penalties. At the end of the period New Zealand's drink-driving countermeasures were significantly weaker than each Australian State (Casswell and Maxwell 2005).

Until the 1980s, New Zealand and Australian drink-driving countermeasures had followed a similar path. From this time, Australian States introduced reforms and left New Zealand languishing in their dust (to use a driving metaphor). In 1900, there were no motor vehicles on the road and it was only after World War Two that cars became common. Motor vehicle accidents that caused death and injury became a significant problem, and evidence became available about the dangers of driving after consuming alcohol. The first countermeasures were in 1962, when Victoria introduced a BAC of .05 and the breathalyser (Room 2010). Eventually all other States and Territories followed them (Henstridge et al 1997) and New Zealand was not far behind in introducing a BAC of .08 in 1966, and breathalyser and blood testing in 1969 (Christoffel 2006). Victoria was again the first state to introduce RBT in 1976 and each State had RBT in place by 1988. The 1980s and early 1990s were a period of significant policy activity in Australia, but not New Zealand (Fitzgerald and Jordan 2009, Homel 1990, Room 2010, Henstridge et al 1997). By the early 1980s each State had introduced a BAC, some followed Victoria's lead of .05 and others (such as Queensland and

Western Australia) went with the same BAC as New Zealand (.08). The 1980s saw all remaining States (such as Queensland and Western Australia) introduce RBT (Fitzgerald and Jordan 2009, Hawks 1993, Homel 1990, Henstridge et al 1997). By the early 1990s, all Australian States had a BAC of .05, comprehensive RBT, and stiff penalties for transgression. New Zealand had a higher BAC (.08), no RBT program, and more lenient penalties. This changed somewhat in 1993 when RBT was finally introduced along with a lower BAC for drivers less than 20 years (Casswell and Maxwell 2005). But at the end of the period, New Zealand had a less stringent approach against the three elements of drink-driving countermeasures – BAC, RBT and punishments. Debate continued to rage by 2010 about when and whether New Zealand would follow the lead of Australia.

The reasons why Australia and New Zealand diverged can again be explained through the different political institutions and policy legacies. One influential difference was the division of powers. The New Zealand unitary state proved less able to change than the Australian Federation. Australian States looked to each other and emulated the countermeasures of the policy leader – Victoria – an example of “laboratory federalism” (Oates 1999, 1132). As outlined in Chapters Four and Five, Victoria was the jurisdiction with the greatest state capacity and willingness to use the powers of the state to control alcohol (Lewis 1992, Stockwell et al 1994, Room 2010). This was also an example of policy transfer as effective new approaches and ideas were transferred from one jurisdiction to another. However, it was not just the federal system that explained why the policies diverged. Political institutions and policy legacies combined with ideas to influence outcomes in different ways. Availability controls were an over-riding focus for successive New Zealand Governments and drink-driving countermeasures did not get the attention that they did in Australia. The New Zealand Government established a BAC of .08 soon after Victoria had established the first BAC of any Australian state at .05 (Christoffel 2006). Once the higher BAC had been implemented it became “sticky”, just as many areas of public policy have been shown to be. Actors became used to the higher BAC and it became hard to change, particularly given the levels of rigidity and isolation in New Zealand during the period. But perhaps the most significant influence related to what was happening during the 1980s. In Australia, the States were implementing stricter drink-driving countermeasures as they learned from others and as public health ideas gained support (Homel 1990, Room 2010). In New Zealand, the ideas that gained ascendancy were neo-liberal and not public health. They had a massive influence and were focused on reducing levels of regulation (Kelsey 1995, Casswell et al 1993, Law

Commission 2010). 1980s New Zealand therefore had little or no interest in reducing the BAC, a shift in the opposite policy direction. Institutions combined with conditions, actors and ideas to deliver divergent drink-driving countermeasures; and sequence and timing were important in providing different constraints and opportunities.

Treatment

Table 6 – Policy divergence: Australia and New Zealand (alcohol treatment)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 very limited and provided through the psychiatric or criminal justice system 1901 Not mentioned in Constitution therefore a responsibility of the States 1945 AA commenced as a self-help treatment system 1959 first residential rehabilitation clinics established for alcoholics 1960s all State and Territory Governments funded treatment and rehabilitation programmes 1980s all State and Territory Governments had bureaucratic agencies devoted to delivery and funding of treatment services	1900 very limited and provided through the psychiatric or criminal justice system 1909 specific institutions for inebriates introduced 1946 AA commenced as a self-help treatment system 1954 NZ Society on Alcoholism established 1976 ALAC established to fund treatment services that were delivered through NSA and Salvation Army	Slight divergence 1. State funded treatment introduced in Australia from 1959 but state funding in New Zealand came later

There was only a slight divergence in alcohol treatment policies, although neither country had a comprehensive approach. Both countries relied heavily on churches and the not for profit sector to deliver treatment, in the absence of comprehensive alcohol treatment policies. At the beginning of the period, the two countries had a similar approach. Alcoholics were dealt with through specific institutions, the psychiatric system or criminal justice system (Lewis 1992, RACP 2005). This was how it stayed until the end of World War Two, when AA started in both countries. The commencement of AA was when the disease model (alcoholism) started to gain credibility. AA became an important part of treatment services in the 1950s in both countries and had a strong foothold throughout the cities and towns (Lewis 1992, Fitzgerald and Jordan 2009, AA New Zealand 2014). In 1959, the first state funded residential treatment facility was opened in Australia and during the 1960s there were increased resources made available for treatment services (Fitzgerald and Jordan 2009, Lewis

1992, NSAD 2014). New Zealand introduced the Alcoholism and Drug Addiction Act 1966, but it was not until 1976 with the establishment of ALAC that the state funded alcohol treatment services to any great extent (Ashton and Casswell 1986, RACP 2005). The Australian States (treatment was a state responsibility) demonstrated a capacity to introduce new policy tools more quickly and comprehensively than New Zealand, just as they did in other policy areas between World War One and the 1980s.

The somewhat divergent approach can again be explained through the differing impacts of institutions. Alcohol treatment was the domain of State governments in Australia, while in New Zealand it was the central government. Similar to drink-driving countermeasures, Australia was better able to accommodate new policy tools. The absolute focus on availability controls because of policy legacies (the General Licensing Poll), and the isolationist approach to public policy, explained why treatment struggled to gain cut through. The General Licensing Poll entrenched temperance ideas in New Zealand policy making, based on the view that alcohol was an evil product. Therefore, the alcoholic was a victim of a morally corrupt industry. While the policy environment was not explicit about this, the Poll gave regular opportunity for these views to be debated. Alcohol treatment was based on different ideas, that the individual alcoholic was suffering a disease and required treatment. New Zealand experience showed how new ideas were influential at critical junctures (the 1980s and World War One) but not at other times. Treatment suffered from coming onto the scene as a policy tool during a period of rigid stability. Whereas in Australia, new ideas were accommodated through incremental change and treatment gained a greater foothold.

Advertising Controls

Table 7 – Policy divergence: Australia and New Zealand (advertising controls)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 Not an area of alcohol control policy 1950s Electronic media developed with public broadcaster and multiple private TV and radio stations 1976 Alcohol advertising became the subject of a	1900 Not an area of alcohol control policy 1950s Electronic media developed with public broadcasters only <1980 Alcohol advertising on electronic media regulated by statute, brand or corporate advertising banned 1974 Voluntary Code on alcohol	Significant divergence then dramatic convergence 1. Prior to 1991 the regulation of alcohol advertising in the electronic media were dramatically different, with effective prohibition

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
self-regulatory code 1979 Self-regulation overseen by the Alcoholic Beverages Advertising Council 1990s Alcoholic Beverages Advertising Code established and funded by the alcoholic beverage industry associations 1995 Requirement for standard drink labelling introduced	advertising (print media only) established 1980 Voluntary Code on electronic media through NZ Broadcasting Corporation established 1987 Private electronic media established 1991 Lifting of the ban on alcohol brand advertising on electronic media 1991 Responsibility for regulation devolved to the Advertising Standards Authority	in New Zealand and self- regulation in Australia 2. From 1991 the arrangements for regulation of alcohol advertising in the electronic media were very similar after dramatic changes in New Zealand

Comparative alcohol advertising controls were unique in that there was significant divergence followed by a rapid convergence following changes in New Zealand. Alcohol advertising regulation was a policy domain of the Commonwealth Government in Australia and the impact of Federation was less. The policy legacy was very different, the private sector dominated electronic broadcasting in Australia and there were minimal controls initially on the advertising of alcohol. The approach was the opposite in New Zealand where electronic broadcasting was operated by Government through the New Zealand Broadcasting Corporation, and advertising of alcohol brands was banned (Casswell and Martin 1986, Law Commission 2010). These starting points could be described as “chalk and cheese”. Interestingly, advertising controls ended the period in a similar position, a rare example of policy convergence across the two countries.

Both countries took policy interest in alcohol advertising controls in the 1970s. Following the 1974 Royal Commission, New Zealand established an industry self-regulatory body that oversaw print media advertising of alcohol through a code of practice. Alcohol brand advertising was not allowed in electronic media (Casswell and Martin 1986, ALAC 2003). In Australia, a self-regulatory code was developed in 1976, and in 1979 an industry body was created to oversee the code and hear complaints. By the 1980s, Australia allowed full electronic and print advertising of alcohol under the controls of a voluntary code and oversight of a self-regulatory body (Lewis 1992, Loxley et al 2005, Fitzgerald and Jordan 2009). New Zealand was very different, with only electronic advertising of outlets and the services they offered – no brand or corporate advertising of alcohol. New Zealand regulation

was shared between a statutory body (for electronic advertising) and an industry body with a voluntary code (for print advertising) (Casswell and Martin 1986, ALAC 2003). This changed dramatically in the late 1980s with massive reforms to the New Zealand economy and government that impacted on advertising of alcohol.

Like many areas of New Zealand public policy, the 1980s saw substantial changes in broadcasting and advertising that shifted the model to become more similar to Australia's. The changes were in two waves. In 1987 a new television station that was entirely reliant on advertising revenue was introduced (ALAC 2003, Casswell et al 1993, Law Commission 2010). The changes continued in 1991 when the restrictions on brand and corporate alcohol advertising on electronic media were lifted and products could be advertised (after 9pm). Similarly, responsibility for compliance was given to the media advertising body (ALAC 2003, Casswell et al 1993, Law Commission 2010). This was a huge shift from the previous state driven approach since electronic media commenced. Similar to availability, New Zealand alcohol advertising controls experienced a dramatic cleavage, although in this case it resulted in a rapid convergence towards the Australian model.

The influence of institutions can explain the divergent (and then convergent) alcohol advertising controls. The initial divergence related to different policy decisions regarding the media and their legacy, as well as different levels of state capacity. Australia established a private sector led electronic media model, although there was also a public broadcaster. However, New Zealand established a state led model where electronic media was owned and operated by the state. The timing of the growth of electronic media (the middle of the 20th century) coincided with a period of strong state capacity and a policy approach that favoured state ownership. Whereas the print media developed in the 19th century, before the development of strong state capacity, and was therefore privately owned and operated. The capacity of the state was greater after World War Two (facilitated by political institutions and policy legacies). While the capacity of the Australian state also reached a high point after World War Two, it did not develop to the same extent (Bassett 1998). By the 1980s, New Zealand had a policy legacy of more extensive use of the state in the economy (Palmer 1987, Kelsey 1995, Miller 1997).

This approach to electronic media was strongly opposed by new neo-liberal ideas that took hold in the 1980s. As for availability, New Zealand institutions supported dramatic and rapid

changes. There was perhaps no better example than the approach to the electronic media. The sense of crisis created by political, economic and fiscal conditions – combined with new ideas, a core of influential actors, and institutions that concentrated executive power – facilitated changes to the policy on electronic media. These changes shifted New Zealand's alcohol advertising controls and brought them closely into line with Australia's. Once again, New Zealand's institutions facilitated rapid and transformative change at critical junctures. Although in this case, the changes brought them into line with Australia.

National Alcohol Policy

Table 8 – Policy divergence: Australia and New Zealand (national alcohol policy)

<i>Major Developments in Australia</i>	<i>Major Developments in New Zealand</i>	<i>Key Points of Divergence</i>
1900 Expressed through availability controls and liquor licensing 1901 Alcohol availability (the only policy tool) became the responsibility of State Governments 1980 Commonwealth Royal Commission into Drugs highlighted illicit drug issues 1985 National Campaign against Drug Abuse commenced 1985 Ministerial Council on Drug Strategy established 1986 Initial draft of first National Alcohol Policy 1989 National Alcohol Strategy approved and adopted by the Commonwealth and all States, a watered down version of the 1986 draft 1989-2009 Numerous National Alcohol Strategies approved and adopted, the final of the period covered 2006-2009	1900 Expressed through availability controls and liquor licensing 1996 National policy statement on alcohol released as part of the National Drug Policy 2000 First (and only) National Alcohol Strategy adopted and released 2007 Revised National Drug Policy released 2010 No revised National Alcohol Strategy adopted, 2000-2003 continued as the latest	Significant divergence 1. Australia adopted a national alcohol policy well in advance of New Zealand where it commenced over a decade later 2. Australia used a Commonwealth and State Ministerial Council to negotiate and agree on a national alcohol policy, New Zealand policy was driven by the Government in Wellington 3. Australian national alcohol policy revised a number of times, whereas New Zealand only adopted one national alcohol policy that was 7 years out of date in 2010

There was also significant divergence in national alcohol policies. Similar to drink-driving countermeasures and treatment, Australia incorporated a national alcohol policy earlier and more comprehensively than New Zealand. The concept of a national alcohol policy did not gain traction until the 1970s and 1980s. In Australia, alcohol control was largely the domain of State Governments and prior to 1980 no Commonwealth Government had ever made a

statement on alcohol issues (Lewis 1992). While New Zealand implemented wide ranging neo-liberal reforms in the 1980s, Australia started developing a national alcohol policy. In 1984, Labor took the proposal for a National Campaign against Drug Abuse to the election and a national drug policy was completed in 1985 (Mathews and Grewal 1997). By 1986, a draft national alcohol policy was considered by a Ministerial Council of Commonwealth and State Governments (Hawks 1993). Because responsibility for most control policies rested with the States, the policy needed the agreement of all governments. It was in the period between the draft and final agreement that the policy was substantially amended. This was, at least in part, due to the influence of South Australia (the major wine producing state). In 1989, the National Alcohol Strategy was agreed and launched, albeit in a watered down state (Hawks 1993, Stewart 1997). Every few years the Strategy was amended by the Commonwealth and State Governments (MCDS 2006, NDS 2001).

The situation in New Zealand was different, where the Government had a long history of involvement with alcohol controls. The national strategy around illicit drugs came later than Australia, and in 1996 a national policy statement on alcohol was released. Following this, the National Alcohol Strategy was developed and released in 2000 (Ministry of Health/ALAC 2000). However, by 2010 the 2000-3 strategy had not been updated. While the Australian strategies were often out of date by one to two years, the New Zealand strategy was seven years out of date by 2010. Neither country fully embraced national alcohol policies (instead relying on other policy tools), but Australia embraced the approach earlier and to a greater extent than New Zealand.

The divergence was shaped by the different institutions in Australia and New Zealand. A key influence was the division of powers. As a federation, Australia had a greater stimulus to develop a national alcohol policy and a different process for its development. It made some sense for States and the Commonwealth to develop nationally consistent approaches on alcohol. Whereas in New Zealand the National Government had jurisdiction and the policy was largely a reflection of existing laws. Timing was also important. In the 1980s, the New Zealand neo-liberal reforms were focused on removing restrictions. Like the experience with drink-driving countermeasures, timing worked against a national alcohol policy in New Zealand. There was a reduced ideational push as neo-liberal ideas held the ascendancy and public health and harm minimisation ideas held less influence. In Australia, where neo-

liberal ideas did not reach the same level of influence, public health and harm minimisation ideas shaped the development of a national alcohol policy.

Policy divergence and how it occurred

Divergence was a key feature of comparative Australian and New Zealand alcohol controls during the period studied. This was despite similar: policy starting points (availability and taxation in the early 20th century), histories, economies, alcohol consumption, demographics, and policy actors (both had a “Presbyterian and Publican” coalition). This was consistent with the findings of historical institutionalists who argued that systems that concentrated power (like New Zealand) would feature long periods of stability disrupted by rapid change, whereas more dispersed systems (like Australia) would have more incremental dynamics (see Steinmo 1989). Australia accommodated incremental changes and the introduction of new policy tools and ideas. New Zealand alcohol controls followed a different pattern after World War One. Changes to existing policies were less frequent and less comprehensive, the introduction of new tools was slower and less complete, and new ideas and actors were less able to influence. By the 1980s, the countries had diverged substantially due to the influence of political institutions, policy legacies and state capacity. In the 1980s there was another period of dramatic divergence. Australia continued along a path of incremental change, while New Zealand embarked on radical changes to alcohol controls and went from more restrictive to much less restrictive. At this critical juncture new ideas drove major change, facilitated by institutions that concentrated executive power (the same institutions that had supported rigid stability for seventy years). After these dramatic changes, New Zealand settled into a stable pattern of alcohol controls influenced by neo-liberal ideas. The mechanisms that shaped the policy divergence can be seen through an assessment of: the first critical juncture during World War One, the period from World War One to the 1980s, and the second critical juncture in the 1980s. **Table 9** highlights the key points of alcohol control policy divergence and outlines the different institutions that shaped and mediated this divergence.

Table 9 – Explanations of the factors that mediated key points of divergence in Australian and New Zealand alcohol controls 1900-2010

<i>Key Points of Divergence (from Table 3)</i>	<i>Likely Institutional Explanations</i>
General 1. Each Australian State had a different approach to alcohol control in most policy areas, whereas in New Zealand there was a single and national approach in all policy areas	Division of powers/federal structure
Taxation 1. Major excise increases in New Zealand (1921 & 1958) but not in Australia	Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
Taxation 2. ALAC Levy (hypothecated) introduced in New Zealand but attempts in Australia struck out by High Court	Division of powers, Constitution, Judiciary
Taxation 3. Excise used for industry protection in Australia in 1979 and 2000 with reductions on brandy and draught beer, but not in New Zealand	Policy legacies
Taxation 4. Excise reduction on light beer more significant in Australia	Policy legacies
Taxation 5. Move to volumetric taxation of wine in New Zealand in 1987 but not in Australia	Policy legacies, Division of powers, Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
Taxation 6. Greater simplification in the New Zealand system from 1989	Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
Availability 1. National prohibition question introduced to local option polls at each General Election in 1910 in New Zealand, whereas the national prohibition question was never put nationally in Australia and only 7 times in 4 states from 1920-1950	Policy legacies, Division of powers
Availability 2. Six o'clock closing introduced in 4 states in Australia during World War One, but nationally in New Zealand (initially for the duration of the War only, but made permanent in 1918)	Division of powers, Conscience vote, Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
Availability 3. New Zealand introduced a General Licensing Poll in 1918 on the question of national continuance, state control or prohibition that lasted until 1987; yet Australia never held a national referendum on prohibition	Policy legacies, Division of powers, Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)

<i>Key Points of Divergence (from Table 3)</i>	<i>Likely Institutional Explanations</i>
Availability 4. From World War One until the late 1980s there was relative rigid stability in New Zealand availability controls, whereas there was more change in the Australian States	Policy legacies, Division of powers
Availability 5. New Zealand introduced Licensing Trusts from 1944 in local areas that voted for restoration of licences, whereas Australia never incorporated any state or municipal control of the trade	Policy legacies, State capacity
Availability 6. New Zealand removed the restrictions on Maori a decade before the first Australian State removed restrictions on aborigines	Constitution, Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
Availability 7. Australian States that implemented six o'clock closing began removing it from 1937, generally through legislation; New Zealand was last to remove it after a referendum	Policy legacies, Division of powers
Availability 8. New Zealand introduced a strong national regulatory authority in 1948, the Licensing Control Commission, that took a more active and interventionist approach than any Australian State authority	State capacity, Division of powers
Availability 9. By the 1980s availability controls had diverged with New Zealand having: a General Licensing Poll, a more rigid needs test, many dry areas, Licensing Trusts, an MLDA of 20 and no Sunday trading	Policy legacies
Availability 10. The 1989 changes in New Zealand were radical and dramatically freed up the restrictions (removed the General Licensing Poll and needs test, allowed supermarkets to sell wine, no requirement to offer accommodation), although the conscience vote meant that some proposed reforms failed	Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity), Conscience vote
Availability 11. The 1999 changes in New Zealand continued the reforms (notwithstanding amendments overturned due to the conscience vote) by: removing Sunday trading restrictions, reducing the MLDA to 18, and allowing beer to be sold in supermarkets; although the Australian States freed up their restrictions, nothing as radical as the New Zealand changes were attempted	Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity), Conscience vote

<i>Key Points of Divergence (from Table 3)</i>	<i>Likely Institutional Explanations</i>
Drink-driving countermeasures 1. Victoria's lower BAC of .05 eventually implemented in each State and Territory, but New Zealand stayed with a BAC of .08	Policy legacies, Division of powers
Drink-driving countermeasures 2. RBT introduced in each State and Territory by 1988 with a significant testing regime, New Zealand only introduced RBT in 1993 with a more limited testing regime	Policy legacies, Division of powers
Drink-driving countermeasures 3. Strong and certain punishment for transgression introduced in each State and Territory but a weaker regime in New Zealand	Policy legacies, Division of powers
Treatment 1. State funded treatment introduced in Australia from 1959 but state funding in New Zealand came later	Policy legacies, Division of powers
Advertising controls 1. Prior to 1991 the regulation of alcohol advertising in the electronic media were dramatically different, with effective prohibition in New Zealand and self-regulation in Australia	Policy legacies, State capacity
Advertising controls 2. From 1991 the arrangements for regulation of alcohol advertising in the electronic media were very similar after dramatic changes in New Zealand	Concentration of Executive Power in New Zealand (single house of Parliament, no Constitution or judicial oversight, unitary state, high state capacity)
National alcohol policy 1. Australia adopted a national alcohol policy well in advance of New Zealand where it commenced over a decade later	Policy legacies, Division of powers
National alcohol policy 2. Australia used a Commonwealth and State Ministerial Council to negotiate and agree on a national alcohol policy, New Zealand policy was driven by the Government in Wellington	Policy legacies, Division of powers
National alcohol policy 3. Australian national alcohol policy revised a number of times, whereas New Zealand only adopted one national alcohol policy that was 7 years out of date in 2010	Policy legacies, Division of powers

Table 9 outlined the institutional differences that were likely to have mediated and shaped each key point of divergence identified during the period. The most significant institutional differences that shaped policy divergence were:

- Policy legacies – the primary policy legacy that shaped policy divergence was the General Licensing Poll in New Zealand, which was itself shaped by the different introduction of local option that existed previously. The Poll delivered rigid stability in availability controls in New Zealand, dominated political debates about alcohol control, and was used as an “escape valve” by successive New Zealand governments. The Poll shaped the “rules of the game” in alcohol policy. The Poll also shaped the reduced use of new policy instruments (and taxation) by New Zealand governments when compared to Australia.
- Division of powers – the most significant formal political institution that shaped policy divergence was the division of powers. There was a high level of difference between the two countries, with Australia a federation and New Zealand a unitary state. The different division of powers resulted in a single approach to most policy instruments in New Zealand and a plethora of approaches in Australia. This impact was particularly strong for policy instruments where Australian State Governments had jurisdiction.
- Concentration of executive power – another significant difference that shaped policy divergence was the concentration of executive power. Australian political institutions dispersed power whereas New Zealand institutions concentrated it. This allowed New Zealand governments to introduce significant and rapid changes at critical junctures, which were stifled in the Australian system. It was only another institution, the conscience vote, which proved a check on this power in New Zealand.

8.3 The institutional dynamics of alcohol control policy

The previous section provided a comparison of the two cases and identified the areas of policy convergence and divergence, and the shaping influence of domestic institutions. This section will assess the policy history, and influences on alcohol controls, in Australia and New Zealand during the period against the key findings and claims of HI scholars (as identified in Chapter Two). HI scholars have identified the critical role that institutions play

in shaping public policy and the prospects for policy change. In particular they have identified how different political institutions and policy legacies can shape and mediate the course of public policies across countries. Many HI scholars, especially Pierson have argued for the important institutional influence of policy legacies. In fact Pierson argued that policy legacies may be more influential than formal political institutions for shaping the evolution of public policies (Pierson 2004). While many HI scholars have argued that policies act as an institutional constraint, Lowi (1987) shed light on how and why this occurs with regard to policies that involve social regulation, such as alcohol control policies. Lowi's arguments can supplement the claims of HI scholars to provide an even richer explanation of the course of alcohol control policies in Australia and New Zealand.

This section will assess Australian and New Zealand alcohol control against each of these claims from historical institutionalist research. These findings were generally supported by the experience of Australian and New Zealand alcohol controls. Institutions were very important in shaping alcohol control policy during the period, through their capacity to structure behaviours and decisions. Of significant interest was that HI scholars identified two alternate paths of development – critical junctures (punctuated equilibrium) and incrementalism. The cases pointed to New Zealand's institutions pushing alcohol control policies down a critical junctures path. Australian institutions, on the other hand, promoted incremental changes. This section will also assess the work of Pierson and Lowi who argued for the important role that policy legacies play as institutions. This section will explore whether these legacies were more influential in shaping alcohol control policies in Australia and New Zealand than formal political institutions (the institutions generally analysed by HI scholars).

Key Institutions

HI scholars have outlined the important role that institutions play in structuring conduct (Thelen and Steinmo 1992). Hall (1992) identified three levels of analysis, with the key level for cross-national comparison being the intermediate level where there will be variations (Thelen and Steinmo 1992). HI scholars argued that the key intermediate level institutions to be analysed included: separation of powers, division of powers, concentration of power and state capacities (Hacker 1998, Hall 1993, Skocpol 1985, Evans Rueschemeyer and Skocpol 1985, Weir 1992, Dunlavy 1992). Legacies from previous policy were also considered an

important institution and just as constraining as political institutions. While public policies are often the dependent variable for HI studies (including this one), scholars argued that comprehensive explanations need to assess their role (once established) as independent variables (Heclo 1974, Hall and Taylor 1996, Peters 1999, Pierson 2004, Streeck and Thelen 2005, Thelen 2000, Skocpol 1992, Weir and Skocpol 1985, Hacker 1998, Vogel 1996). Consistent with the seminal findings of Steinmo and Thelen (1992), Skocpol (1992), and Hacker (1998), the interplay between political institutions and policy legacies shaped the course of alcohol control. A number of institutions emerged as important (or potentially important) in shaping comparative policies in Australia and New Zealand. Given that both countries had similar histories and remained culturally and economically similar throughout, the different institutions could explain the policy divergence. Political institutions provided a different capacity for policy change, but it was the feedback from previous policy that shaped the issues on the agenda, the power of actors, and arguably had a greater influence.

The key political institution that shaped Australian and New Zealand alcohol control was the division of powers. Australia adopted a federal system of government, where power was divided between the central government and states. New Zealand had a more conventional unitary system. Federalism shaped the arenas for political battles over alcohol control in Australia as responsibility was divided between the Commonwealth (excise) and the States (availability). This was how it worked until later in the 20th century, when fiscal changes and new policy challenges (unforeseen in 1901) blurred responsibilities and facilitated an increased role for the Commonwealth (supported by new institutions like Ministerial Councils and the NCP). New Zealand, on the other hand, had a consistent and centralised policy responsibility vested in the central government in Wellington. Federalism allowed Australian States to adopt different approaches to regulating alcohol, such as the move by four States to introduce six o'clock closing (six o'clock closing was national in New Zealand). It also facilitated experimentation, such as Victoria's early adoption of drink-driving countermeasures which was subsequently followed by other States. New Zealand had no capacity for local differentiation but could introduce policies without reference to another level of government. Unlike Australia, the central government had jurisdiction over the most significant area of policy, availability controls. The division of powers was a key institutional difference that concentrated power in New Zealand and dispersed it in Australia, and created opportunities for experimentation and learning in Australia but "all or nothing" policy changes in New Zealand.

Divergent constitutional and judicial arrangements were a check on power in Australia but not in New Zealand. As a Federation of previously separate colonies, the 1901 Constitution established the formal political institutions – including the separation and division of powers (between the Commonwealth and States). New Zealand had no formal constitution and its institutions operated through convention, like the British system it was modelled upon. The closest that New Zealand came to a written constitution was the Treaty of Waitangi, an agreement with the Maori tribes. The Australian Constitution gave the power to levy excise to the Commonwealth, however availability controls were not mentioned and therefore the policy domain of the States. The Constitution also set out the arrangements for managing disputes, and created the High Court. The Court interpreted the Constitution in ways that allowed the Commonwealth to maintain taxation power over alcohol (*Ha Case*) and to expand their financial capacity (*Uniform Tax Case*), so that they became fiscally dominant and were able to become involved in State areas of responsibility. High Court oversight was also a check on power and particularly constrained the activities and resources of the Australian States. In New Zealand, with no written constitution or judicial oversight and a single level of government, there was far greater concentration of power. A good example was the *Ha Case* that resulted in the NT Government's LWA levy being deemed unconstitutional. LWA was similar to the ALAC Levy, something introduced and operated in New Zealand without such constraints. Constitutional and judicial arrangements were influential institutions and their divergence created different opportunities and constraints by concentrating power in New Zealand but dispersing it in Australia.

The divergent parliaments and conventions also concentrated power in New Zealand and made outcomes less predictable. Nearly every Australian State (except Queensland) and the Commonwealth had bi-cameral parliaments with an elected and active upper house to scrutinise, amend and reject legislation from the lower house. However, the New Zealand Parliament had an appointed, inactive and ineffective upper house (Legislative Council) until it was abolished in 1951. When combined with a strong two party system and first past the post voting (until 1993), New Zealand legislation passed the Parliament more easily than in Australia. If the Executive was determined to legislate, they could do so with relative ease and less opportunity for opponents to veto. However, conventions were also influential. In New Zealand, the opportunity for influence was greater and outcomes less predictable due to the convention of conscience voting for alcohol availability. Whereas Australian political

parties took positions on availability issues, New Zealand's major parties used the convention of conscience voting as a way to avoid polarising debates and using the power available to them. It led to less predictable outcomes and chaotic debates, such as when six o'clock closing was made permanent. Conscience voting acted as the only check on the New Zealand Executive and their sweeping reforms to alcohol control in 1989.

The concentration of power in New Zealand ensured that state capacity built strongly over the period, where there was greater use of legislation and bureaucratic influence. Just as Lowi (1986) argued, the early 20th century state focused on punishing transgressions but had little involvement in the management of social or economic issues. As the century progressed, the New Zealand state became increasingly active with few constraints on its scope or scale, whereas divided power and shared responsibilities in Australia limited development. With a single house of parliament (effectively), unitary state, limited judiciary, and an electoral system that guaranteed majority governments, there were fewer constraints on New Zealand Governments extending policy responsibility. Central bureaucratic agencies also developed a more influential position than the dispersed Australian bureaucracies. The capacity of the New Zealand state developed more strongly with regard to alcohol control, supported by policy legacies. Dry areas, national six o'clock closing and stricter availability controls meant that the state developed increased responsibility for compliance. From 1948 the LCC aimed to improve hotel standards and became the "style police", demonstrating how the New Zealand state did not just regulate the industry, but defined it as well. New Zealand state capacity was best demonstrated in the 1980s, an irony given that the neo-liberal reforms were about reducing the role of the state. The Lange Government was influenced by advice from key bureaucratic agencies, which had become drawn to neo-liberal ideas and advised the Government to implement them. This was despite them having never been implemented in any other country. This demonstrated the capacity of the New Zealand bureaucracy to influence, and the state capacity to enact such radical policy reforms.

The divergent concentration of power was in place by 1901 and was, in the case of Australia, a deliberate act. The Australian States were concerned with dispersing power to ensure that the new Commonwealth was not able to dominate them. New Zealand had political institutions that concentrated power compared to Australia and resulted in greater capacity for dramatic change. The speed and scale of the 1980s reforms were shaped by the limited checks on the power of the New Zealand Executive (except for the conscience vote).

Perhaps the most influential institutions were the legacies from previous alcohol control policies. Political institutions alone could not explain the divergence between Australian and New Zealand alcohol control. The concentrated power in New Zealand should have made achieving change easier than in Australia. However, for much of the period this was not the case, due to the combined impact of political institutions and feedback from previous policy choices. Policy legacies not only encouraged the “Presbyterian and Publican” coalition to develop, they also structured ongoing policy debates and choices. New Zealand had a unique and highly influential policy institution not present in Australia, the General Licensing Poll. While a number of States held prohibition referenda, only New Zealand referred availability control to the people every three years. Governments with significant power to make change instead referred debates to the Poll and it was an important driver of policy stability between World War One and the 1980s. The Poll’s design meant that when the vote for Prohibition declined from the 1920s, status quo was guaranteed. The Poll also dominated the policy focus and new policy instruments such as drink-driving countermeasures did not gain the policy action that they did in Australia. It also “locked in” the ideas that prevailed during World War One (temperance) much longer than in Australia. The Poll’s importance cannot be underestimated in driving policy divergence, but the Poll had its genesis in the earlier and divergent way that local option was introduced. Although local option lasted for a short period compared to Australia, its impact was more significant in New Zealand. The decision to link local option to General Elections and align licensing districts with electoral boundaries had two lasting impacts: a tradition of availability being “sent to the people” at each General Election, and localised prohibition within larger districts (dry areas). Local option and the resulting dry areas also led to another unique policy – Licensing Trusts. Once created, they were nearly impossible to remove and created constituencies that protected them from the neo-liberal reforms of the 1980s. Divergent policy legacies, especially local option and the General Licensing Poll, had a particular influence on the course of alcohol controls.

Institutions shape markets and politics

Another key finding from HI research was that institutions (including policy legacies) influenced markets and politics. As well as establishing the rules of the game and the arena in which politics occurs, institutions structured who played the game and their capacity to win when they got there. An assessment of institutions helped to understand policy and

political outcomes, and they were considered by HI scholars to be autonomous political actors in their own right (March and Olsen 1983 & 1989, Rhodes 1995, Zysman 1994). Similarly, institutions (especially public policies) had a major effect on markets through the regulation of market activity (Zysman 1994, Vogel 1996, Hacker 1998). HI scholars argued that market actors strategically responded to policy signals, and the structure of the market itself was strongly shaped by policy institutions (Vogel 1996, Hacker 1998). Institutions were particularly important in shaping both the market for alcohol and the politics of alcohol control in Australia and New Zealand, often in divergent ways.

Policy legacies shaped the market for alcohol in both countries and, although consumption was similar, the products and the industry had distinct features. Alcohol taxation in particular shaped consumer preferences and industry production. In Australia, the lack of excise on wine meant that low value wine was the lowest taxed beverage, helping to boost its production and consumption (and arguably leading to its own container, the “cask”). Similarly, 1980s changes to excise on light beer immediately stimulated production at a price that made it attractive to consumers. Prior to this there was no light beer market, but after the change light beer represented more than 10% of the beer market. In New Zealand, a more modest reduction in excise did not generate sufficient incentives and light beer never reached more than 1%. Amendments to thresholds in the 1980s also created incentives for the production of “light” spirits. This was a product specific to New Zealand and not produced either before the amendments, or after the threshold was changed again (or in Australia). The doubling of excise on beer and spirits in New Zealand reduced consumption and shifted preferences, further demonstrating the impact of excise on the market. While they had limited effect on overall consumption, availability controls impacted on the market for alcohol. The best example followed the introduction of six o’clock closing. Hotels became grim, male, functional spaces, and patrons consumed faster in a shorter space of time (six o’clock swill). In New Zealand, dry areas (a result of local option) and strict controls on new licences created incentives for “booze barns” to develop. These outlets were strategically placed in the growing suburbs to cater for the growing local population and that of nearby dry areas. There was no such trend in Australia where dry areas were limited and the constraint on new licences was less extreme. These examples demonstrated that different policy legacies strongly shaped alcohol market dynamics in Australia and New Zealand.

Political institutions shaped arenas for alcohol policy debates for much of the 20th century. One particular political institution – Federalism – impacted on the politics of alcohol control. Because jurisdiction for availability in Australia was at State level, debates were at this level through most of the 20th century. In the unitary New Zealand system, debates were at the national level. The federal system also allowed policy experimentation and learning, Victoria took the lead with the introduction of strong drink-driving countermeasures. This allowed other States to follow and heightened the political debate around the issues. The unitary New Zealand state meant there was no competition or encroachment of policy responsibility between levels of government. No formal constitution and a unitary state provided little need for the judiciary to interpret and define the arenas for political debate. There was also limited capacity for localised experimentation and less learning from other jurisdictions. Towards the end of the 20th century, the arena for alcohol control policy debates in Australia shifted towards the Commonwealth. Two factors drove this change: taxation began to be considered an alcohol control and there were new policy tools that were the responsibility of the Commonwealth, and the growing vertical fiscal imbalance gave the Commonwealth more resources to involve itself in areas of State responsibility. Political institutions were important in shaping the often divergent arenas for policy debates over alcohol controls.

Divergent policy legacies had very strong shaping effects on political debates over alcohol during the period. Because availability was a major focus and considered the only control policy during most of the 20th century, it shaped the political battleground over alcohol control. This focus lasted longer in New Zealand, assisted by the General Licensing Poll. The Poll structured the debate and course of alcohol control for seventy years, it provided a focus for actors and allowed governments to *not* take action. Because there was no such poll in Australia, debates were more varied and occurred periodically as issues arose – rather than every three years at General Elections. The legacy of New Zealand's divergent introduction of local option (alongside General Elections and using electoral boundaries) led to the General Licensing Poll. New Zealand's dry areas were in line with electoral boundaries (very large compared to Australian licensing districts) and shifted in line with electoral redistributions. Dry areas impacted on the politics of availability controls in numerous ways. Citizens in dry areas voted for restoration at each General Licensing Poll, and the vote in Invercargill in 1944 led to the creation of a unique New Zealand policy – Licensing Trusts. Dry areas also created another unique arena for debate, the “battle to keep the suburbs dry”. Dry areas had morphed from rural South Island districts to suburbs of the major cities by the

middle of the 20th century, partly due to electoral boundary redistributions. Suburban dry areas became attractive places to live with high property values and created new policy actors (residents in dry areas) that became active at restoration polls to protect their “peace and quiet” and property values. Local option did not leave such a legacy in Australia. Another example of policy legacies shaping political debates was six o’clock closing. The retention or overturning of six o’clock closing was an important debate from the 1930s to the 1960s in New Zealand, NSW, Victoria and South Australia. After unsuccessful attempts to introduce prohibition, the temperance movement mobilised around the retention of six o’clock closing in those jurisdictions. These examples support the argument that *divergent institutions shaped divergent alcohol control politics in Australia and New Zealand*.

Australian and New Zealand governments actively managed debate and conflict by using the institutions available to them, especially referenda and Royal Commissions. This was a way to remove themselves from conflict or to provide cover for difficult changes; they became alcohol control “escape valves”. Australian States used referenda to determine six o’clock closing, prohibition and local option. New Zealand took this even further by instituting a General Licensing Poll every three years and polls in dry areas to vote on Restoration and Licensing Trusts. In New Zealand referenda were the way that availability policies were made, allowing governments to almost completely remove themselves from debates and support the status quo. Royal Commissions were independent inquiries into alcohol policies and their recommendations impacted on debates and set the agenda, often for years thereafter. They were very influential and many policy changes were consistent with the recommendations. The removal of six o’clock closing in NSW, Victoria and South Australia followed Royal Commissions that identified the laws as having negative consequences. The creation of ALAC and the LCC in New Zealand also followed Royal Commission recommendations. The two most significant changes in New Zealand alcohol control were preceded by reviews by the National Efficiency Board and the Laking Committee. While the Government was ideationally predisposed to changes, they still needed an independent review to “stand behind”. The structuring role of referenda and Royal Commissions highlighted how institutions can be strategically used by governments to make policy at “arm’s length”.

Institutions shape actors and interests

HI scholars argued that institutions were important in shaping the preferences, goals and strategies of actors (Thelen 1999, Steinmo Thelen and Longstreth 1992, Immergut 1998, Di Maggio and Powell 1988). Interests therefore require explanation – rather than being assumed – as they were neither clear nor stable (Ostrom 1995, Steinmo Thelen and Longstreth 1992, Skocpol 1985, Zysman 1994, March and Olsen 1989, Hall 1997). They were also products of the institutional environment rather than just being a cause of them (Katznelson 1997, Hall and Taylor 1996, Immergut 1998, Hall 1997). Historical institutionalists argued that actors and interests were constituted by institutions, with some facilitated and others impeded (Clemens and Cook 1999, Immergut 1998, Thelen 1999). This varied across countries, because different systems provided different opportunities for actors to promote or stifle change (Immergut 1992, Skocpol 1985, Pierson 2004, Thelen and Steinmo 1992, Ostrom 1995, Dunlavy 1992). Institutions, especially policy legacies, encouraged actors to adapt to the rules of the game – often to protect the benefits they received and thereby reinforce the system (Kingdon 1984, Immergut 1992, Pierson 2004, Thelen 1999). This “actor adaptation” had a massive impact at the system level (Trampusch 2005, Rothstein 1992). Because of the shaping role of institutions, designers often sought to lock in their successors (Pierson 2000). Institutions proved to be highly influential in shaping actors and interests in Australia and New Zealand alcohol control, often in divergent ways.

The key interest group actors for much of the period were the industry and the temperance movement, and their goals and strategies were shaped by institutions. Australian and New Zealand alcohol interests were endogenous rather than exogenous to institutions. An example was the major policy recommendation of temperance groups in the early 20th century – prohibition – which was pursued through referendum. This was shaped by the legacy of using referenda to determine alcohol availability. New Zealand prohibitionists were particularly focussed on achieving prohibition through a national referendum at each General Licensing Poll. The legacy of using referenda to determine availability issues ensured that temperance groups built this into their goals and strategies, rather than pursuing direct legislation through Parliament. In New Zealand, this could have been achieved more easily due to the concentrated power of the Executive, and demonstrated how the goals and strategies of interests were constituted by institutions. The legacy of using referenda was stronger in shaping the strategies of temperance campaigners than the relative ease of legislating in the New Zealand system, demonstrating that *divergent policy legacies were stronger in shaping interests than divergent political institutions*.

Availability controls, especially those that restricted new licences, also demonstrated how policy legacies shaped the goals and strategies of actors. The temperance movement and the industry should have been poles apart in their views on availability, yet policy legacies shaped them towards seeking similar ends. Although the conflict over prohibition and many other controls was strong, they also colluded to defend particular measures. While initially strong opponents of controls, industry became supporters of restrictions that made it difficult for new market entrants. Local option and needs tests or polls had stopped many licence applications (potential competitors) and influenced the industry to become supporters of “barriers to entry”. Hoteliers motivated by self-interest – consistent with Yandle’s “Bootleggers and Baptists” – supported the goals of temperance campaigners (albeit for different reasons) (Yandle 1983). In the Australian and New Zealand context it became a “Presbyterian and Publican” coalition, as industry and temperance actors fought to retain restrictions on new licences and kept alive the fallacy that availability controls were effective in limiting negative consequences from alcohol. The alliance was not formally recognised by either party, indeed any link was strenuously denied. However, when it became clear that Prohibition would not succeed, the temperance movement and the industry were best served by the retention of availability controls. The protection received by the industry provided them with little incentive to invest in their facilities. As hotels became even more grim over the 20th century (supported by six o’clock closing), it helped reinforce the arguments of temperance campaigners for the retention of controls. So there was a perverse incentive for hotels to spend as little as possible on making the hotel environment pleasant, as it further reinforced the arguments for the retention of strict controls. The “Presbyterian and Publican” coalition lasted longer and was stronger in New Zealand due to the more rigid stability in availability controls.

Australian and New Zealand actors were situated in different policy contexts and this conferred contrasting incentives. Institutions didn’t just shape goals and strategies, they also shaped the way that actors structured themselves. For much of the period in Australia, when availability was effectively the only alcohol control, key interest groups only had a presence at State level. They had no national structure until well into the second half of the 20th century. In New Zealand, these groups had a strong national structure throughout. The primary reason for the divergent structure was that responsibility for availability was at State level in Australia and national level in New Zealand. The division of powers, combined with

the legacy of just one policy issue (availability), shaped interest group structure. Further evidence came later in the 20th century in Australia, when the involvement of the Commonwealth increased and the range of policy instruments expanded, the structure of interest groups shifted towards the national level. Policy legacies also facilitated a splintering of alcohol policy actors in Australia. When availability was the only policy, the LVA (with its strong State based structure and licensing focus) represented the interests of the industry. However, as taxation became an alcohol control policy (not just a revenue policy), each beverage category (beer, wine, spirits) developed an organisation at the national level to represent their interests. The legacy of different tax treatment by beverage category shaped these interests as they sought to either preserve their privileged position (wine industry) or agitate for equal treatment (spirits sector). This built strong representative organisations with divergent interests, splintering a once relatively united set of actors. It was consistent with the findings of HI scholars – including Hacker (1998), Zysman (1994), and Vogel (1996) – who argued that institutions (including policy legacies) will shape business structure and strategy. This was contrasted with New Zealand, where the divergent tax treatment by category was substantially reduced after the 1980s reforms. This, combined with the relative youth and premium focus of the wine industry, meant that the industry had less of a lobbying and more of a marketing focus. The reduced splintering of industry actors in New Zealand was shaped by the less differentiated tax treatment. The unitary state also gave less opportunity for New Zealand industry to oppose changes, whereas Australian States with strong wine industries often strongly protected the sector.

Policy legacies provided some actors and interests with the resources to be more influential in policy debates. Temperance era controls that restricted new licences (such as local option and needs tests) benefited existing hoteliers by making it hard for new entrants. This provided strong incentives for industry actors to protect their position and therefore they developed strong and well-resourced representative groups. In fact, industry groups became stronger as the century progressed, even though the debate over additional controls declined. It was the conflict over new controls that formed industry actor groups, *but it was the preservation of existing controls that sustained and strengthened them*. Both countries had strong controls on new licences. However, New Zealand also had General Licensing Polls that provided a focus for temperance ideas and actors, and other market distorting regulations like dry areas that provided greater incentives for actors to fight to retain controls. The resources and opportunity for influence of actors was greater and lasted longer in New

Zealand. The temperance movement withered and died in post-World War Two Australia, but it held sway well into the 20th century in New Zealand. The conflict between the industry and temperance ensured an ongoing relevance for temperance groups well after they had any opportunity of achieving their aims.

Examples of specific actors being created and sustained by policy legacies were the residents of dry areas and Licensing Trusts in New Zealand. Local option had facilitated a number of dry areas. Due to the linking of these districts with electoral boundaries, redistributions resulted in them encompassing, over time, large suburban areas of Auckland and Wellington. Voters in these areas faced a restoration poll at each General Election, and there grew a unique set of policy actors – residents seeking to preserve their “peace and quiet”, and property values – through the preservation of the status quo. Because the institutions were very different in Australia, this actor group emerged to a far lesser extent. The policy legacy of Licensing Trusts also created and sustained a unique new set of actors. Once Trusts had been created, they became policy actors with a strong level of influence. This was demonstrated in 1989, when they successfully lobbied and ensured that the Sale of Liquor Bill proposal to abolish their monopoly rights (as per the Laking Report) was amended.

There were examples of individual actors having influence on alcohol control, but they were also shaped by institutions. An example was the NCADA in Australia that, on the face of it, was an individual actor (Prime Minister Hawke) shaping policy development. Consistent with this argument, New Zealand had no such actor to drive the policy agenda and did not have an equivalent to the NCADA. But institutions also played a significant role. NCADA was possible because the Commonwealth had, through developments in fiscal federalism, sufficient resources to intervene. It also had mechanisms (Ministerial Councils) to work with the States and previous Royal Commissions into illicit drugs that highlighted a significant problem not being addressed. In New Zealand, there was a different approach. There was no Royal Commission, no tension between levels of government over a new policy issue, and no significant actor driving reform. As a result, there was a reduced focus on illicit drugs and subsequently less of a focus on a national alcohol policy compared to Australia. This demonstrated a role for the influence of individual actors, but their capacity to influence was shaped by institutions.

Institutions also provided different veto points for actors seeking to preserve the status quo. Referenda favoured stability and provided opportunities for actors to stop changes. They were regularly used to determine polarising availability issues through the 20th century, especially in New Zealand where nearly every availability issue was put to the people. Referenda rarely delivered change because of their rules and capacity for opposition forces to marshal themselves. This was demonstrated in Australia and New Zealand where referenda to reverse six o'clock closing were unsuccessful, despite the policy being unpopular and ineffective. Referenda often provided opportunities for actors whose interests were best served by the status quo to build resources and coalitions to oppose change. The General Licensing Poll rules demonstrated how institutions could provide veto points for actors. The Poll had a 50% requirement to be successful, but included two alternatives (continuance and state control) that between them only needed to achieve 50% to stop Prohibition. It was the existence of the two alternatives that stopped Prohibition in the 1920s as the vote was consistently higher than the vote for Continuance.

Institutions and Ideas

HI research highlights the interplay between institutions and ideas, with the former often a prism for the latter. Although the role of ideas was somewhat ambiguous and contested, many HI scholars advocated the importance of analysing ideas. In particular how institutions interact with and structure ideas in a way that impacts on policy (King 1992, Blyth 1997, Beland 2005, Hall 1992, Weir 1992, Lieberman 2002). International trends and ideas were analysed by HI scholars, as governments looked to other countries or the ideational environment for solutions to problems (Beland 2005, Dolowitz and Marsh 2000). Research identified how international trends and ideas translated into different opportunities and solutions because of their interaction with domestic institutions (King 1992, Andersen 2007). There was therefore ongoing policy divergence across countries because of differences in domestic institutions (Vogel 1996, Knill and Lenschow 2005, Pedersen 2006). This was confirmed in Australian and New Zealand alcohol control as institutions shaped how, when and whether particular ideas impacted at points in time.

Assessing the two cases comparatively highlighted the influence of ideas. Their shaping of alcohol control was important and divergent, and did not occur in isolation from institutions. Ideas that were influential in the international environment met different domestic

institutions, and their influence varied. There were two sets of ideas that were influential in shaping alcohol control at particular points: those specific to alcohol including temperance, alcoholism, public health, and harm minimisation; and wider ideas about the role of government in society including wartime sacrifice, national efficiency, and neo-liberalism. The periods of significant and rapid change in New Zealand were both shaped by ideas and the opportunities provided by institutions for them to influence. Comparative assessment of alcohol control at key moments demonstrated a divergent influence of the same ideas due to their interaction with domestic institutions.

Changes to alcohol control during World War One were more significant in New Zealand, where national six o'clock closing and a General Licensing Poll were introduced. These changes were influenced by a combination of ideas that became dominant during the War including: temperance, efficiency and sacrifice. The policies, and the ideas supporting them, were then locked in place for many decades. New Zealand's institutions allowed these ideas to have an influence. The concentrated executive power, combined with the upheaval of war, provided the conditions for major and rapid changes. Ideas influenced the policy initiatives introduced during the War, but it was New Zealand's institutions that facilitated the way that these ideas had more influence. This was evident when compared to Australia, where the same social and economic conditions and ideas were present. Yet the policy outcomes were different. Australia introduced partial six o'clock closing and did not put the question of Prohibition at every General Election. While ideational support for the policies was important, the key factors that shaped the divergence were institutional, including: policy legacies, division of powers, concentration of executive powers, and parliamentary voting conventions. These institutions combined to shape the way that ideas of temperance, wartime efficiency and national sacrifice had divergent influences on policy.

The policy legacies from changes made during World War One had an ongoing impact, and structured the ongoing influence of ideas. The General Licensing Poll in New Zealand was a particular example of a policy where the legacy impeded some ideas, while solidifying others, when compared to Australia. The Poll allowed political parties and governments to retreat from the debate on availability controls. Temperance ideas gained a greater salience for longer than in Australia because every three years temperance policy prescriptions, actors and ideas were debated in conjunction with each General Election. Even well after Prohibition was a possibility and temperance ideas had popular support in New Zealand

society, the Poll forced a national debate with temperance ideas about alcohol. As a result, new alcohol specific ideas, such as alcoholism and public health, were impeded in New Zealand and had more influence in Australia (where alcohol became viewed as less of a moral problem and more of an individual or public health problem). The retention of temperance ideas in New Zealand during the period of the Poll was in conjunction with a period of policy lock-in of temperance era controls. Although Australia had some degree of lock-in, they were able to incorporate incremental policy changes, new policy actors, and new ideas around alcohol control. World War Two also had an impact on the course of alcohol control in both countries and brought with it a rise in ideas about national sacrifice and also the important role of the State. In Australia, this prompted the Commonwealth Government to take over the levying of income taxes, a move that had a profound long-term impact on fiscal federalism. In New Zealand, the 1944 restoration vote in Invercargill prompted the creation of Licensing Trusts and, in the shadow of the War the creation of the LCC. Both of these changes further served to lock-in the temperance policies and ideas facilitated by the General Licensing Poll. The ideational lock-in experienced in New Zealand meant that by the 1980s there was an ideational vacuum.

By the early 1980s, both countries faced economic fragility. Australia and New Zealand elected Labo(u)r Governments: the Hawke Government in Australia in 1983, and the Lange Government in New Zealand in 1984. The Hawke Government tackled the challenges in a more corporatist style through an Accord with the union movement to build wage restraint and productivity gains while undertaking microeconomic and macroeconomic reform (Kelly 1994). The reforms had little impact on alcohol control, although the Government did refine excise and started the first national alcohol policy. This was because the majority of responsibility lay with the states. The Lange Government took a very different path. Although faced with similar challenges, they embarked on radical reforms along neo-liberal lines. This included the biggest overhaul of alcohol availability controls in New Zealand history.

This period in New Zealand was characterised by a sense of crisis created by political, economic and fiscal conditions that coincided with high state capacity and a new Government looking for a fresh approach. New Zealand was the first government in the world to substantially apply neo-liberal policy prescriptions. Australia and New Zealand had similar exposure to these ideas and similar social and economic conditions, yet it was only in New

Zealand that these ideas substantially influenced public policy and alcohol control. An explanation for this can be found in the preceding period and the ideational vacuum that had been created. Temperance ideas had been in decline but the institutions created during World War One had impeded other ideas from gaining a stronger influence over the policy agenda. Into this vacuum came neo-liberalism, when the nation faced a crisis and a new Government needed an ideational life-boat and had the concentrated power to make things happen quickly. The strong bureaucracy and high state capacity coincided with many bureaucratic and academic leaders having been exposed to neo-liberal ideas. This helped these ideas to gain ascendancy in the powerful central economic agencies in the bureaucracy. Out-dated policies and ideas that supported them, met a new ideational consensus, a political and economic crisis, concentrated power arrangements and a high state capacity. When the new consensus was in place, ideas around alcohol control that were alien to it (public health, harm minimisation) and associated policy prescriptions (national alcohol policy, drink-driving countermeasures) held less chance of influencing. The Lange Government oversaw a transformation that locked in a new ideational consensus. Despite the pain and difficulties that followed the restructuring, later Governments continued and extended on their neo-liberal policies. The divergent influence of the same ideas in Australia and New Zealand – especially at key points in time – highlighted the strong shaping nature of institutions on the policy development path. Whereas New Zealand's institutions (including policy legacies) facilitated a periodic dramatic impact for new ideas and then a locking in of those ideas, Australia's institutions favoured gradual incorporation of new ideas and approaches to alcohol controls. Hall (1993) noted in regard to the United Kingdom and its responses to the economic challenges of the 1970s and 1980s (and failure of the previous Keynesian approach to deal with them) that the Thatcher Government was able to experiment with a monetarist regime because of the establishment of a new “policy paradigm”. In a similar vein, when faced with challenges the New Zealand Government was able to experiment with a new approach and use the concentrated power to deliver “third order change” (Hall 1993). The Hawke Government in Australia, on the other hand, used a more established policy paradigm and a corporatist approach to policy.

The incremental spread of policy initiatives based on new ideas was facilitated in the Australian Federation. In a number of cases a State implemented a new policy initiative and was followed by others once they had an opportunity to assess its success or otherwise. An example was drink-driving countermeasures. Victoria first experimented with tougher

countermeasures, including a lower BAC. This influenced other States and by the 1990s the BAC was in line with Victoria across all States. The division of powers set up a structure that promoted policy learning as a way for States to determine their policy arrangements. All Australian States shifting to a .05 BAC demonstrated how this structure supported policy learning, whereas the unitary New Zealand state continued with a higher BAC of .08 – despite similar conditions.

Critical Junctures

HI scholars identified development paths that include rare periods of rapid and significant change that punctuate long periods of stability (Vogel 1996). These paths are known as “punctuated equilibrium” or “critical junctures”. Key HI scholars that developed these claims included Steinmo, Thelen and Longstreth and in particular, Collier and Collier (Collier and Collier 1991, Steinmo Thelen and Longstreth 1992) – although they built on earlier work of Kingdon (1984) and March and Olsen (1989). These claims identified that change will: occur at critical junctures, be substantial and rapid, be brought on by external events, and involve institutional disruption (Greener 2005; Thelen and Steinmo 1992; Peters, Pierre & King 2005). The opportunities for major change at critical junctures, and the distinct legacies left behind, will occur differently in each country according to their domestic institutions (Hacker 1998, Pierson 2004). Institutions helped to explain why New Zealand alcohol controls followed a path consistent with critical junctures explanations, but Australia (with its more dispersed power) followed a path characterised by incremental changes. New Zealand alcohol controls experienced two periods of rapid and dramatic change, that bookended a long period of rigid stability.

While the social and economic conditions in Australia and New Zealand were similar, institutions shaped divergent alcohol control policies. New Zealand policies were prone to rare but major change when there was a social or economic crisis. At these times, new ideas were influential, supported by the concentrated power arrangements. The two periods of significant change (World War One and the late 1980s) both incorporated social and economic crises external to alcohol control, as well as a new ideational consensus that supported particular solutions. Ideas with the potential to impact on alcohol control were similar and appeared at the same time in both countries. The difference was the political institutions and policy legacies that either enhanced or impeded ideas.

Australian and New Zealand alcohol controls prior to World War One were similar, despite the institutional differences. However, New Zealand established policies during World War One that, when combined with political institutions, set in train divergent paths. During the War, the major initiative in Australia was the introduction of six o'clock closing in four States. This was also implemented in New Zealand, although the implementation and scope were different. The Australian States mostly used referenda to introduce six o'clock closing, whereas the New Zealand Parliament voted directly on the issue following a recommendation from the National Efficiency Board. The unitary state meant that it was implemented nationally (whereas Australian States considered the issue separately) and covered all citizens, initially for the duration of the War. Concentrated executive power ensured that the change passed the Parliament with ease. However, another institution – the conscience vote – had a significant impact, resulting in a 1918 amendment during debate on another liquor bill that made six o'clock closing permanent. But six o'clock closing did not explain why New Zealand pursued a divergent path. It was the 1918 introduction of the General Licensing Poll that set in place a different policy path, while Australian alcohol control continued to develop incrementally. The inclusion of a state control option meant that Prohibition was unlikely, but it became virtually the sole arena for alcohol debates. Because New Zealand's political institutions concentrated power more than Australia's, there should have been more opportunities to introduce changes after World War One. Although Australian alcohol control was fairly stable from World War One to the 1980s, there was rigid stability in New Zealand. The Poll provided a focus for actors and allowed political parties and governments to extricate themselves from taking a position on alcohol control. The General Licensing Poll proved to be a more influential institution that shaped the policy path more than the formal political institutions that concentrated power. It facilitated the lock in of policies, ideas and actors for the next seventy years.

Australian States tightened availability until the 1920s, and then gradually relaxed controls and began utilising new policy instruments. While New Zealand Governments had greater power to make changes, in relative terms their alcohol controls were rigid and locked in the existing arrangements. The General Licensing Poll created a single forum for debate that was highly unlikely to lead to change (after the 1920s) and made New Zealand less able to introduce new policy instruments. The stability was relative, not absolute. New Zealand governments *did* make changes and *did* introduce new policy tools, but not to the same extent

as Australia. New Zealand alcohol controls, *in relative terms*, were rigid and resistant to change from World War One until the 1980s. The features that demonstrate the Poll's influence in driving divergence and rigid stability included:

- Availability controls had developed on an incremental path prior to World War One;
- The Poll was the most significant policy difference at that time;
- Political parties took no position on alcohol control after the Poll commenced; and
- The Poll became the major arena for policy debate.

New Zealand's changes after World War One were modest and included:

- Licensing Trusts, to deal with dry areas that voted for restoration;
- The LCC, to manage liquor licensing – a more powerful agency than in Australia;
- Full drinking rights to Maori ahead of them being granted to Aborigines in Australia;
- Changes to excise – including a doubling of the rate in 1958;
- The ALAC Levy to fund treatment and education; and
- New policy tools such as drink-driving countermeasures and treatment, but not to the same extent as in Australia.

New Zealand alcohol controls were more stable and the changes more modest than in Australia. They also reflected and reinforced existing arrangements, such as stronger state capacity and bureaucratic control, and the Treaty of Waitangi.

New Zealand's alcohol control policy evolution was consistent with critical junctures explanations and this was further confirmed in the 1980s. By then, New Zealand alcohol controls were more restrictive than Australia's and included: General Licensing Polls, Licensing Trusts, dry areas, restoration polls, and greater restrictions on licences. In addition, ideas and policy tools were more reflective of World War One and the state was more actively involved in the management of alcohol. These arrangements looked out of date and were inconsistent with the new ideational consensus of neo-liberalism. Reforms to the New Zealand economy and government, driven by neo-liberalism, led to massive changes. Consistent with critical junctures explanations, it was external crises that led to this period of change including: economic, fiscal, political and social challenges that the existing policy environment was unable to address. Firstly, the Muldoon Government refused to hand over power immediately to the elected Lange Government during a currency crisis. Secondly,

New Zealand faced economic and fiscal problems that had become more acute during the high spending and interventionist Muldoon Government. Thirdly, New Zealand looked like an increasingly isolated nation state with high levels of regulation and heavy trade barriers to protect domestic industries. Concurrently, leaders in the bureaucracy and academia had embraced neo-liberal ideas. These ideas gained ascendancy in key government agencies and laid the groundwork for radical reforms of public policy when combined with New Zealand's political institutions.

As argued in critical junctures literature, it was the combination of social, economic, ideational and political conditions that provided the tipping point for major change in New Zealand. External crisis and a new ideational consensus led the Lange Government to pursue radical change in alcohol controls. Institutions facilitated the reforms. High levels of state capacity were part of the reason that New Zealand faced its crises by the 1980s, but also explained why a new ideational consensus within key agencies could serve as a catalyst for change. While breaking down the size and scale of the state was a key part of the neo-liberal agenda, it was ironically this capacity that facilitated the radical overhaul of government and the economy. Key agencies embraced neo-liberalism and demonstrated their influence. Treasury's 1984 neo-liberal manifesto, *Economic Management*, gave the Government the intellectual and ideational backing to pursue reforms. The New Zealand political system also concentrated power in the executive, with: no upper house, no state governments, no written constitution, and no strong judiciary. A first past the post voting system also guaranteed a majority, these features gave the Government substantially greater capacity to pursue reforms. After the Government had commenced reforming the economy and government, they moved to the traditionally contentious area of alcohol controls.

The reforms in New Zealand in the 1980s and 1990s were the most significant to alcohol control in either country. The push for change was exogenous to alcohol control and supported by the new neo-liberal ideational consensus. As neo-liberal ideas dominated the legislative reform agenda, it was only a matter of time before alcohol control came under the microscope. 1980s alcohol controls were inconsistent with neo-liberal ideas because they: restricted competition, constrained and skewed the market, locked in ideas from the early 20th century, incorporated onerous regulation and bureaucratic intervention, and included a meaningless General Licensing Poll. The Government appointed a group of like-minded people to review alcohol controls – the Laking Committee. Even the “radical” reforming

Lange Government used an established institution (external review, an “escape valve”) to achieve change at this critical juncture. The recommendations were in line with neo-liberal ideas and sought to tear down many established availability controls. A Government Bill was developed with changes based on the recommendations, and it was only another institution, the conscience vote, that watered down the reforms.

The neo-liberal focus in New Zealand also incorporated changes to alcohol taxation and advertising controls. Tax reforms included the introduction of a GST and simplification of excise, which sought to equalise the excise paid on each beverage category. The changes to alcohol advertising were even more influential, through the removal of the government monopoly on electronic media and new television and radio stations reliant on paid advertising. This freed up advertising restrictions and put regulation in the hands of the industry, rather than through statute. Prior to the reforms, advertising of alcohol products or brands was completely banned. Following them, they could be advertised in a similar manner to Australia. This was a massive change – from prohibition, to an industry regulated market model. The Government also further reformed availability controls in 1999.

This critical juncture in New Zealand amounted to the institution of a new policy paradigm. During the 1980s and 1990s a number of public health influenced measures were introduced in Australia such as: changes to excise, tougher drink-driving countermeasures and national alcohol policies. The critical juncture in New Zealand established a neo-liberal consensus and governments did not pursue reforms to alcohol controls that were counter to it. During this time, the New Zealand Government also tore down an institution that had shaped alcohol control for seventy years, the General Licensing Poll. A political institution that concentrated power – first past the post voting – was also changed in 1993. The system that replaced it (MMP) provided for coalition governments. This limited the concentration of power but did not stop the 1999 reforms, demonstrating a potentially new neo-liberal ideational consensus.

Alcohol control policies in New Zealand after World War One diverged from Australia. Significant change was difficult to achieve in Australia because institutions provided veto points. Dramatic changes were- proposed but not successful. Instead, Australian alcohol control developed through regular, gradual amendments to existing policies and the introduction of new policy instruments within existing institutions. The closest that Australian alcohol control came to a critical juncture was the introduction of six o'clock

closing. Collier and Collier's definition of a critical juncture was a generative cleavage that was significant, swift and encompassing – and caused by exogenous factors. While six o'clock closing in Australia was rapid and caused by external factors (war), it was not a generative cleavage for numerous reasons. Firstly, the change was eventually reversed and did not turn the previous arrangements "on their head". Secondly, the change was not universal and was not introduced in two states. The unique mix of political institutions and policy legacies, most importantly the General Licensing Poll, shaped New Zealand alcohol control policies down a path consistent with critical junctures from World War One.

Incrementalism

An alternative HI explanation for policy and institutional change was incrementalism. This referred to regular and routine adjustments through the life of an institution or policy, something supported by the empirical evidence of many government actions (Hall 1993, Heclo 1974, Thelen 2000). These regular, but individually minor, refinements led to significant changes in the long-run, especially when a "tipping point" was reached (March and Olsen 1989, Pierson 2003, Streeck and Thelen 2005). This model of change was argued to be both more likely to succeed, and result in greater change than periodic attempts at sweeping reforms (March and Olsen 1989). Domestic institutions determined whether this was promoted or constrained (Pierson 2004, March and Olsen 1989, Skrentny 2006). HI scholars developed explanations for how incremental change occurs, including: layering, conversion, drift, exhaustion, and displacement (Hacker 2005, Hogan 2006, Lieberman 2002, Palier 2005, Pierson 2004, Streeck and Thelen 2005, Thelen 2003). Incrementalist explanations were consistent with the evolution of Australian alcohol controls during the period, but not New Zealand which was better defined by a critical junctures explanation. Attempts at radical reform, such as those in New Zealand in the 1980s, were unsuccessful in Australia. In fact, these reforms were rarely pursued due to the institutional constraints. Australian alcohol control changes occurred within existing institutions, largely by converting them to new purposes or by layering new approaches on them.

A strong example of incremental change through conversion was alcohol taxation in Australia, where there was a shift from revenue generation to public health and industry development. At Federation, excise was a significant contributor to Commonwealth revenue and the experience was similar in New Zealand. But by 2010, both governments had only a

small reliance on alcohol excise revenue. As excise became less of a revenue priority in Australia, it was used to support domestic wine producers and hoteliers. In 1979 excise on brandy was reduced to benefit wine grape growers and in 2000 excise on draught beer was reduced to benefit hoteliers. Both of these measures remained in place at the end of the period. The New Zealand Government did not use excise for industry support. Excise was also converted to public health. New Zealand moved first when they introduced the ALAC Levy to fund treatment and research. The Northern Territory Government introduced a similar levy in 1992, but it was deemed unconstitutional by the High Court – demonstrating that Australia's institutions did not always support conversion. The best example of conversion towards public health was the reduction on light beer excise that created the market for light beer in Australia, yet the more modest reduction in New Zealand had virtually no impact. In Australia, excise became an alcohol control policy with public health and industry assistance objectives. In New Zealand, it also had public health objectives; however it was never used for industry support. Institutional differences, in particular New Zealand's focus on the General Licensing Poll, could explain why taxation was converted to a lesser extent. Australian governments continued to use excise to further public health and protect the industry through incremental changes, although attempts at major reform were unsuccessful (such as equalising excise by category). Whereas the 1980s critical juncture saw New Zealand alcohol taxation dramatically shift towards a neo-liberal path where different treatment by category was largely removed.

Because tax and availability were the only alcohol control policies at Federation in Australia, other tools were grafted on to existing institutions through conversion and layering. The first was treatment for alcoholism, something previously done through the psychiatric system. As evidence became available of the failure of the previous approach, as well as new ideas and international experience, a public treatment regime was layered over the existing structure using the established and publicly funded medical system. The development of drink-driving countermeasures also occurred through conversion of existing institutions, such as a professional police force and legal system. New Zealand's institutions comparatively struggled to incorporate new policy instruments. Although alcohol treatment and drink-driving countermeasures were introduced, neither policy was as comprehensive as in Australia. The General Licensing Poll meant that New Zealand governments took a less active role in alcohol control after World War One. Their failure to introduce these tools as

comprehensively can be explained through reference to an institutionally shaped and divergent policy development path (critical junctures versus incrementalism).

Another explanation for incremental change was exhaustion, where an institution failed to remain relevant and was replaced or superseded. Exhaustion could explain the disappearance of local option in Australia. In 1900, every Australian colony (except Western Australia, which introduced it in 1911) and New Zealand had local option. Local option was built around a late 19th century idea regarding the capacity of local populations to determine liquor licensing. From the interwar period, local option suffered from little active support from actors and governments in Australia, and therefore quietly disappeared. Local option was different to other policies that built strong constituencies that made them resistant to change. In most States the polls were only held periodically and few districts voted for prohibition because of the often difficult thresholds. However, the exhaustion explanation does not hold true for New Zealand, where local option was different. Even though it lasted barely more than 20 years, it had a much greater impact. This was because of the different design of local option in New Zealand and the decision to link licensing districts to electoral boundaries. This had three significant and lasting impacts: districts that voted dry were of significant scale, when local option was replaced (by the General Licensing Poll) there was an established practice of holding polls concurrently with general elections, and electoral boundary redistributions created new dry areas in the suburbs. Whereas local option eventually went the way of the dodo in Australia, in New Zealand it was a springboard for the General Licensing Poll (also Licensing Trusts). Changes at the critical juncture of World War One in New Zealand resulted in the extension of local option, rather than Australian incremental changes that saw it gradually exhaust itself. The divergent local option experience also highlighted the importance of institutional design. The New Zealand decision to link licensing districts with electoral boundaries helped to shape a very different outcome at a critical juncture.

Australia's institutions supported greater levels of incremental change (through conversion, layering, exhaustion and drift) than New Zealand's. This allowed new policy tools to be introduced more quickly and completely, and for old policies to be gradually changed. New Zealand's rigid focus on availability, supported by the General Licensing Poll, meant that introducing new policies or changing old ones occurred less than in Australia – where new approaches were introduced incrementally using existing institutions. Two institutional

differences helped drive these divergent approaches: the General Licensing Poll in New Zealand and the division of powers in Australia. The General Licensing Poll diverted policy attention and locked in temperance ideas, to ensure that the major policy battleground was availability. As a result, availability continued to be used to deal with the alcohol problem to a greater extent than in Australia. In the Australian Federation, new policy tools were the domain of State Governments. Although starved of resources, they were well placed to trial and learn from each other as new policy tools emerged. Australian States used existing institutions to introduce new policy tools and change existing tools.

Policy Stability and Path Dependence

HI scholars identified that policy stability was common. In fact it was the norm (Hacker 1998). March and Olsen argued that the more an institution was integrated into the political order, the less likely was change (March and Olsen 1989). Economists such as Douglass North also argued that stability was caused by institutions that created inducements for actors to respond in ways that reinforced their stability (North in Pierson 2000, North in Pierson 2004, Thelen 1999, Thelen 2003). The concept of path dependence was developed by HI scholars to explain stability over time and the difficulty of policies moving to another path (Greener 2005, Hacker 2005). Path dependence explained how earlier developments affected the prospects of subsequent developments, and that particular courses could be virtually impossible to reverse (Pierson 2004, Pierson 2000, Hall 2003). In particular, public policies encouraged individuals to make cumulative commitments that further locked-in those policies (Hacker 1998, Pierson 2004). Path dependence was supported to some extent by Australian alcohol control and to a greater extent in New Zealand. Path dependence could explain the periods of rigid stability in New Zealand availability controls, although the features that supported it were blown away during critical junctures.

Path dependence was present in both countries. It was particularly pronounced in New Zealand where it was shaped by policy legacies and political institutions, and was present in availability controls for much of the 20th century. This path dependence resulted in New Zealand availability controls being far more restrictive than the Australian States by the 1980s. The major cause was the General Licensing Poll, the legacy of which allowed successive governments to avoid taking positions on availability. A feature that encouraged the status quo was the cumulative commitments made by hoteliers that resulted in them

strongly supporting stability, as keeping out new entrants maximised the value of their businesses. This coincided with a temperance movement that had little chance of achieving prohibition. Both the industry and temperance movement fought hard to preserve the status quo, as it was in both parties' interests. Just like Yandle (1983) argued that a "Bootlegger and Baptist" coalition formed in the Prohibition era United States, Australia and New Zealand had an unlikely "Presbyterian and Publican" coalition that shaped path dependence for many decades. The path dependence was particularly strong in New Zealand due to the General Licensing Poll that became the focus of availability debates and its design virtually assured the status quo being retained. The Poll proved to be more influential in promoting stability than the concentrated power available to New Zealand Governments. Its influence was demonstrated by comparing levels of stability prior to its introduction and after. Prior to the Poll, New Zealand availability controls developed in a similar way to Australian controls, with incremental changes. Following the Poll, controls became more rigid and both change and introducing new policy instruments more difficult. High barriers to entry were influential in both countries by creating incentives for actors to rally around the status quo, but the Poll gave New Zealand governments an outlet every three years. The Poll was also a "credible commitment" – a policy initiative designed to bind future governments – and it did this very effectively. The only comparable credible commitment in Australia was the NCP that required State Governments to review legislation and remove anti-competitive elements.

Availability controls were not the only policy that experienced path dependence; another example was alcohol taxation in Australia. This was mirrored somewhat in New Zealand. The starting point in both countries was remarkably similar. In 1900 in Australia, spirits were highest taxed, followed by beer, and no excise on wine. By 2010, the highest excise was on spirits, followed by beer, and no excise on wine (although there was a value tax). New Zealand, on the other hand, changed to volumetric taxation in the 1980s and attempted to remove all distinctions between categories by taxing according to alcoholic content. Differentiating between the categories remained a focus in Australia for two reasons: firstly, change was difficult because the industry and consumers had built their expectations around the existing regime; and secondly, spirits were considered a higher risk beverage that should be taxed accordingly, whereas wine was a drink of moderation. Arguably, these attitudes dated back to 18th century England, when higher taxes were imposed on spirits to reduce public drunkenness. The longer that the policy of treating wine more favourably continued and the wine industry grew, the greater the motivation for the Australian wine industry to

support retention of the arrangements. By contrast, the New Zealand Government reformed the taxation of wine during the period of neo-liberal reforms. These changes were facilitated because of the smaller and less developed wine industry. Even though there was dramatic change to excise (keeping excise on spirits stable until other beverages caught up), this was abandoned and the differential between spirits and other beverages was retained. Entrenched ideas about the dangers of spirits were hard to break down, even for reforming neo-liberals. Australian excise showed strong continuity, even when the justification for the differential approach had disappeared. New Zealand had increased capacity for changes (supported by institutions and industry structures), especially at critical junctures.

Efficiency and unintended consequences

Historical institutionalists argued that institutions or the policies they sustain were often inefficient and had unintended consequences. Public policy would not necessarily be efficient because environmental change outpaced institutional adaptation (March and Olsen 1989, Di Maggio and Powell 1991). Institutions (including policy) took on a life of their own that was often at odds with the purposes for which they were created, and they become a causal force in their own right (Di Maggio and Powell 1991, Pierson 2004). HI scholars also argued that institutions frequently produced unintended consequences because they were more influential than their creators could predict, and over time rarely reflected their original intentions (Thelen 1999, Hall 1992, Pierson 2000). Similarly, political actors had short time horizons yet the institutions they created had long-lasting legacies (Pierson 2000). Australian and New Zealand alcohol controls both displayed inefficiencies and unintended consequences.

Availability inefficiencies were present in both Australia and New Zealand. New Zealand's extreme levels of policy lock-in after World War One resulted in less efficient policies as society changed, although both countries had inefficient availability controls. In Australia, regular local option polls and prohibition referenda were inefficient and the results were often highly predictable and led to no changes in availability. This was even more extreme in New Zealand, where the General Licensing Poll allowed governments to avoid legislating and resulted in availability controls becoming linked with General Elections. After the 1920s it was clear that the Poll would not lead to a change. In fact by the 1980s many New Zealanders were unaware of what the Poll was about and it had become used as a referendum

on other issues. New Zealand and Australian availability controls also incorporated high barriers to entry, resulting in a small but protected group of hoteliers with little incentive to invest in their facilities. When combined with six o'clock closing, the drinking environment for New Zealanders and many Australians was downright grim. This worked in the favour of temperance campaigners, who pointed to the conditions and argued that they were a reason for tight availability controls – rather than a result of them. The divergent development paths resulted in Australia's availability controls becoming more efficient gradually but New Zealand's move to a more efficient outcome occurred in one rapid and significant jump.

Alcohol taxation was also inefficient. In both countries it was built on differentiated rates by beverage type where spirits attracted the highest excise, beer next, and wine little or no taxation. This reflected a traditional focus on taxing imported alcohol as a source of revenue, and concerns about the impact of spirits on the poorer classes. Within each beverage category in Australia there were further anomalies that developed, such as the lower rate for brandy and draught beer – neither of which could be viewed as efficient. By late in the period Australian alcohol excise was inconsistent with modern principles that excise should be based on the amount of ethanol, rather than the type of beverage. It was instead based on historical accidents and industry protection. The excise system in New Zealand shared some of these inefficiencies, but followed a different path. New Zealand excise had two key differences that made it generally more efficient. Firstly, alcohol excise was not used for industry protection. Secondly, from the 1980s excise was changed dramatically to remove (or reduce) the different treatment by category.

Unintended consequences were also a feature of Australian and New Zealand alcohol control policy. The consequences of six o'clock closing were a good example. While temperance advocates argued that early closing would lead to more orderly hotels and less public drunkenness, it had the opposite effect. Hotels and customers adjusted to six o'clock closing and the drinking environment became increasingly ugly as drinkers sought to consume as much alcohol in as little time as possible. It encouraged worse drinking practices that led to increased intoxication. Temperance advocates argued that these ugly drinking cultures were a reason why six o'clock closing should be retained, rather than being the effect of it. The six o'clock swill was a part of Australian and New Zealand culture, and there was no better example of how policy resulted in unintended consequences. There were further examples. In Australia, an unintended consequence resulted from changes to tax treatment of spirits

based drinks of less than 10% abv. Although introduced to encourage consumption of lower alcohol drinks, it stimulated spirits companies to produce RTDs (“alcopops”) that became more affordable. This created an unforeseen problem, because the growth in consumption was among teenage drinkers. In New Zealand, consequences resulted from the change to simplify excise and introduce two rates; one for beverages below 24%, and another for beverages above 24%. The changes were introduced to simplify the system but instead resulted in the spirits companies producing “light spirits” of 23% that were unique to New Zealand. The reason for producing these beverages was to pay the least amount of excise possible, and they became linked with dangerous consumption. The Government was then forced to reduce the threshold, and these products disappeared. When governments made policy decisions they encouraged actors to respond in ways that generated unintended consequences. A key reason for this was that institutional designers were not aware of future changes and how actors might respond. Six o’clock closing was supposed to be a temporary measure for the duration of the First World War. However, in three jurisdictions it lasted for another five decades. This demonstrated the long lasting nature of policy arrangements, and how the conditions under which original decisions were made bore no resemblance to modern Australia and New Zealand.

Governments had difficulty breaking down policy, even when it was inefficient or had unintended consequences. This was shown by the longevity of six o’clock closing in New Zealand, Victoria and South Australia. After World War Two there was limited support for six o’clock closing but removing it proved to be difficult. Governments were often unwilling to put the issue to a referendum. And when they did, the “no” forces marshalled themselves to oppose change and referenda failed in New Zealand, Victoria and NSW in the 1940s and 1950s. It was only removed in NSW, Victoria and South Australia following Royal Commissions that confirmed the appalling drinking conditions. New Zealand was the last jurisdiction to remove six o’clock closing after a referendum. Six o’clock closing resulted in less responsible drinking and made hotels unpleasant. The difficulty in removing it demonstrated how fraught policy change could be, even when the original justification for a policy no longer existed and there were unintended consequences. New Zealand also held a Poll that asked the electorate the same questions at every General Election. The inefficiency of this approach was blindingly obvious from the late 1970s, when the Poll began to be used as a referendum on issues such as nuclear disarmament and Apartheid. Similar to six o’clock closing, the Poll was very hard to break down – until the critical juncture of the 1980s.

Sequence and Timing

Another argument of HI scholars was that the sequence and timing of events impacted on the outcome. They argued that a historical analysis was required that explored interactions between institutions and other processes over time, because the outcome of interest may emerge at a later point from the historical cause (Skocpol 1992, Pierson 2004). HI scholars also paid attention to the sequence in which events occur (Hacker 1998, Levi 1997). The sequence and timing of events was a key determinant of outcomes, as demonstrated by numerous case studies (Beland and Hacker 2004, Hay and Wincott 1996, Pierson 2004, Hacker 1998, Weir 1992). The effects of earlier events may be amplified while the impact of later events may be dampened (Pierson 2004). Australian and New Zealand alcohol control policies showed that the sequence and timing in which policy events occurred had a significant impact on policy outcomes.

The importance of sequence and timing for Australian and New Zealand alcohol controls was confirmed by numerous examples. Perhaps the most salient that demonstrated how (much) earlier events could have a significant shaping impact was the English Gin laws of the 1750s – the impact of which could still be seen in 21st century Australian alcohol taxation. These 18th century laws responded to concerns about the “dangerous” impact of spirits, and were brought to the colonies to tightly control their production, distribution and pricing. The impact of these laws and the ideas that supported them could be seen in controls that banned distilling but actively encouraged beer and wine production, and the colonial tax regime that imposed higher duties on spirits than other alcoholic beverages. This regime was still in place at the beginning of the period in the Australasian colonies and lasted to the end of the period in New Zealand (partially) and Australia. Timing was critical. The policy legacies and ideas of late 18th century Britain were transported to the new colonies (along with convicts and free settlers) and became entrenched and very hard to break down, even over a period of over two hundred years. The perception that spirits were more dangerous than other alcoholic beverages remained at the end of the period, not helped by the opportunistic actions of spirits companies in Australia and New Zealand to “get around” the tax arrangements. Despite public health and neo-liberal ideas gaining ascendancy in Australia and New Zealand at the end of the period, and both favouring a volumetric taxation regime whereby each beverage was taxed according to its alcohol content and not category, the

arrangements did not change in Australia and were only partially changed in New Zealand. At the end of the period Australian spirits were highest taxed by alcohol content. New Zealand excise arrangements were amended so that spirits and other beverages would be taxed by alcohol content, demonstrating the capacity for dramatic reforms at critical junctures. However, the commitment to equal treatment was abandoned, demonstrating how early policies created legacies that were very hard to break down, even for a country with a critical junctures development path.

At a more fine grained level, there were examples that highlighted how sequence and timing shaped policy outcomes. Independent reviews and their recommendations proved to be a precursor to the most significant alcohol control policy reforms. Royal Commission recommendations in NSW, Victoria and South Australia had all, within two years, led to the removal of six o'clock closing. New Zealand's examples were even clearer. The National Efficiency Board report and the Laking Report immediately preceded two of the most dramatic changes to availability at critical junctures. While the reasons for change at critical junctures were numerous and complex, they demonstrated the importance of sequence and the need for independent reviews to validate and provide cover for policy reforms. The divergent approaches to regulating alcohol advertising in Australia and New Zealand also highlighted how sequence and timing mattered. While both policies looked similar at the end of the period, they followed very different paths. When electronic media advertising established in Australia, regulation was left to the industry as the private sector became the major player (similar to the print media). Whereas in New Zealand, the government took responsibility for all electronic media broadcasting and therefore advertising was regulated by statute. The divergent approaches had significant impacts on alcohol advertising controls, a new policy instrument that developed after the growth of electronic media advertising. The divergence was significantly shaped by timing as well as institutions. The electronic media established in both countries at a time when state capacity had grown significantly in the wake of World War Two. The additional power provided to New Zealand Governments (compared to the dispersed arrangements in Australia) and policy legacies had resulted in a greater state capacity in New Zealand. This is where timing mattered. The additional state capacity and legacy of intervention resulted in the state choosing to control electronic media and all advertising (which effectively banned advertising of alcohol products). By contrast, the reduced state capacity and dispersed institutions in Australia shaped a private sector led model to electronic media and advertising regulation. It was not until the critical juncture in

the 1980s that these dramatic differences were changed as neo-liberal ideas swept aside this approach to electronic media in New Zealand. From this time alcoholic beverages could be advertised and regulation became the responsibility of the industry, similar to Australia.

Lowi and Alcohol Control

A political scientist whose research was relevant to this study is Theodore Lowi. His work was particularly useful, along with historical institutionalists, in providing an understanding of the development of alcohol control policies in Australia and New Zealand during the period. The cases confirmed a number of key arguments put forward by Lowi about regulatory policies. These fall under two broad themes.

The first was Lowi's argument about the transition of public policies and the role of the state from the 19th century to the modern era. He argued that perspectives on regulatory policy changed substantially. In the 19th century, the language was heavily laden with morality. While the problems were complex, the solutions were simple. He argued that if problems in the modern era seem more complex, it is more to do with the way that they are defined (Lowi 1986). The 19th century state was small and focused on punishing transgressions, with little involvement in the management of social or economic issues (Lowi 1986). Because of a decline in personal responsibility, Lowi argued that more issues became the responsibility of government. The modern liberal government was therefore obliged to respond to any negative consequence and became a giant magnet, with no limit to the areas that became its responsibility, regardless of the cause (Lowi 1986). This transformation from private to public responsibility also moved the ethical debate from blame to no fault (Lowi 1986). With regard to what he termed social regulation, Lowi identified two key approaches: mainstream and radical. In the mainstream approach, actors avoided taking any moral stand on the conduct to be regulated, only concerning themselves with the damaging consequences of that conduct. The radical approach defined the conduct morally and to be regulated because it was bad in itself, seeking to eradicate the conduct rather than modify it (Lowi 1987).

The approach to alcohol controls at the beginning of the period in Australia and New Zealand were consistent with Lowi's account of the 19th century approach to regulatory policy. It was dominated by ideas, actors and policy tools that were laden with morality. The narrative was clear. Alcohol was evil and the weakness of men resulted in drunkenness and reduced social

order and family cohesion – unless the state removed the temptation by substantially limiting where, when, who and how alcohol could be purchased and consumed. Solutions to the alcohol “problem” were simple and built around reducing availability. State involvement beyond enforcing the rules and punishing transgressions was limited. Individuals with drinking problems were the responsibility of family, the church, or prisons and asylums. Lowi’s account of the modern liberal state was also very relevant for describing the later approach to alcohol controls in Australia and New Zealand. The simplicity of the solution in the early period was replaced with complexity as personal responsibility declined and the modern state expanded to resolve or manage alcohol related problems. New policy tools emerged that were supported by ideas that shifted alcohol from being simply an evil product, to one that was harmful and whose negative effects needed to be limited and managed. Responsibility for this began to fall to the state and the policy tools expanded rapidly to include taxation, drink-driving countermeasures, treatment, advertising controls, and national alcohol policies. The modern approach to alcohol control in Australia and New Zealand also saw the replacement of moral arguments and actors become increasingly secularized. This transition reflected Lowi’s two approaches to regulation, with modern Australian and New Zealand a mainstream approach as opposed to the radical approach at the beginning of the period. But, as already described, policy development paths diverged significantly. The transition was generally smoother in Australia than New Zealand due to the differing impact of institutions. That is where a second key argument from Lowi was particularly relevant.

The second of Lowi’s key arguments was about the important role that policies, especially regulatory policies, played in influencing and shaping politics. While some historical institutionalists (Pierson 2004) identified the importance of policy legacies, many HI studies focused on formal political institutions in the countries being observed. Lowi argued that public policies would develop their own political structure, political processes, and group relations – essentially that policies determine politics (Lowi 1964, 689; 1972, 302; 1987). He found that regulatory policies produce politics based on conflict that tended to favour the interests that were best organised (Lowi 1964, 697; 1986). Lowi identified the important role that public policies played in shaping political debates and conflicts because of the structures which developed. He identified how heavily regulated sectors, provided advantages to well organised interests and were characterised by significant conflicts. While Lowi did not write specifically about alcohol control, his observations about the important role that policy

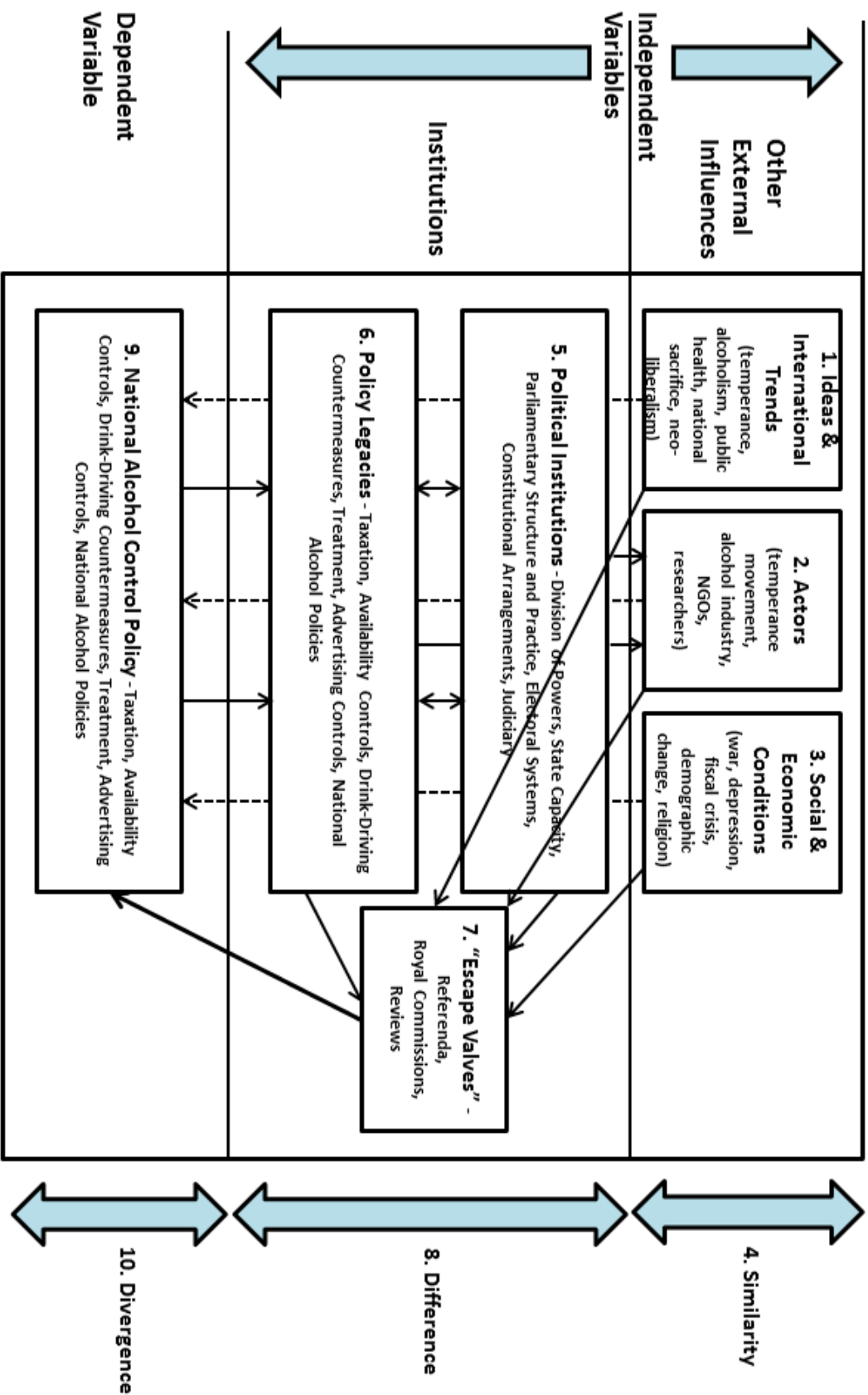
legacies play were highly relevant in helping to explain the divergent paths in Australia and New Zealand.

Lowi's arguments about the importance of policy legacies are relevant. Different policy legacies were even more important than different political institutions in shaping the divergent paths of alcohol controls in Australia and New Zealand. The concentrated power provided to New Zealand governments by political institutions could explain the capacity for a radical neo-liberal policy shift in the 1980s, which did not occur in Australia. However, it was a policy legacy that shaped the divergent alcohol controls for the preceding seven decades. The General Licensing Poll was more influential than formal political institutions that were so often the focus of HI scholars. The Poll did what Lowi argued would occur with policies in general and regulatory policies in particular. It not only shaped the politics of alcohol control in New Zealand for seven decades, it also benefited and supported key actors ("Presbyterians and Publicans"). During the period from World War One until the 1980s, *legacies from the General Licensing Poll were more important in shaping divergence than different political institutions*. This was consistent with the findings and arguments put forward by Theodore Lowi about the important shaping role of policy legacies.

8.4 Model for understanding the dynamics of Australian and New Zealand alcohol control 1900-2010

The findings of divergent alcohol control policies in Australia and New Zealand provided support for many of the claims of HI scholars and political scientists such as Lowi about the important shaping and mediating influence of political institutions and policy legacies. The preceding analysis in this chapter has also provided support for a model that can be used to consider the influence of various factors on national alcohol control policies. **Chart 1** represents this model that was derived from an assessment of the findings of alcohol control policy development paths in Australia and New Zealand. This model may have application for comparatively assessing alcohol controls across other countries or periods of time – or indeed other areas of public policy. The model in **Chart 1** highlights the impact of various factors and how they combined to influence the divergent national alcohol control policies in Australia and New Zealand during the period. It is a heuristic device that represents key elements of a complex process.

**CHART 1 – Alcohol Control Policy in
Australia and New Zealand 1900-2010**



The influence of *ideas and international trends* (**Chart 1, 1.**) on alcohol control policy was filtered through domestic political institutions and policy legacies. The influence of ideas was particularly strong at certain times and had the capacity to support major change if the institutional arrangements facilitated it. This occurred in New Zealand at two critical junctures (World War One and late 1980s) when national efficiency/temperance and neo-liberal ideas had a particularly strong influence, supported by institutions. The influence of ideas and international trends diverged between the two countries. New ideas had a consistent influence on Australian alcohol control policies, whereas in New Zealand temperance ideas were locked in place by institutions (General Licensing Poll) and lessened the impact of subsequent ideas. New ideas and international policy trends had a greater opportunity to influence when major reviews of alcohol controls were conducted in New Zealand or the Australian States, such as the influence of neo-liberalism on the Laking Committee's review of New Zealand alcohol controls in the 1980s.

The influence of *actors* (**Chart 1, 2.**) on alcohol control policy was also filtered through domestic political institutions and policy legacies. The influence of specific actors was also strong at certain times, the industry and temperance movements were particularly influential for many years because policy legacies encouraged them to collude and work together in a "Presbyterian and Publican" coalition to preserve tight controls on new licences. Actors were significantly influenced by domestic political institutions and policy legacies. They structured themselves in line with domestic political institutions, an example was how both the industry and temperance movements in Australia were State based but in New Zealand had a national structure. Similarly, actors developed their aims and strategies with an eye to policy legacies; an example was the New Zealand temperance movement that focused its activities on the General Licensing Poll. Actors also had an opportunity to influence when referenda or reviews of alcohol controls were conducted. Actors were particularly influential when policy legacies stimulated them to collude with other actors, such as the "Presbyterian and Publican" coalition. Conversely, actors had less influence when policy legacies stimulated them to divide – such as the industry and their response to the ongoing different taxation treatment of different parts of the industry in Australia.

The influence of *social and economic conditions* (**Chart 1, 3.**) on alcohol control policy was also filtered through domestic political institutions and policy legacies. Similar to ideas and international trends, social and economic conditions had the capacity to support major change

when facilitated by institutions. The influence of social and economic conditions also diverged between the two countries. In New Zealand, policy legacies (General Licensing Poll) established from World War One meant that social and economic conditions had a reduced impact on alcohol control policies when compared to Australia. As a result, New Zealand's alcohol control policies became less and less representative of social and economic conditions over time. However, the economic and fiscal crises of the 1980s – combined with alcohol control policies that were out of step with social changes and political institutions that concentrated executive power – led to a critical juncture where there were rapid and transformative changes to alcohol control policies. Social and economic conditions also had a greater opportunity to influence when major reviews of alcohol controls were conducted in New Zealand or the Australian States, such as the wartime National Efficiency Board review of alcohol controls during World War One in New Zealand.

A clear feature of external influences on alcohol control policy in Australia and New Zealand was their level of *similarity* throughout (**Chart 1, 4.**). The ideas and international trends, the range of policy actors, and the social and economic conditions in both countries were all similar. Although influences were not exactly the same in the two countries (for example, the proportion of the population from Protestant non-conformist churches was slightly higher in New Zealand), they were sufficiently similar throughout the period to conclude that they were not the major reason for the alcohol control policy divergence. It was the filtering and interplay between these factors and institutions that shaped the policy divergence. Different domestic political institutions and policy legacies were the major influencing factors.

The influence of mid-level *political institutions* (**Chart 1, 5.**) on alcohol control policy was significant. While there was a high level of similarity in other external factors (actors, ideas and socio-economic conditions) between Australia and New Zealand, domestic political institutions had significant differences. The political institutions in Australia dispersed power through a federated division of powers, dispersed state, bi-cameral parliaments (mostly), preferential voting (much of the period), a formal constitution, and strong judicial oversight. Whereas the political institutions in New Zealand concentrated power in the hands of the executive through a unitary system, concentrated state, uni-cameral parliament (effectively), first past the post voting (mostly), no formal constitution, and limited judicial oversight. One of the few checks on executive power with regard to alcohol control policy in New Zealand was the conscience vote. Domestic political institutions acted as a filter for ideas, actors and

social and economic conditions in Australia and New Zealand, and the different political institutions provided different opportunities for them to influence. Political institutions also had an impact on actors, in particular on the way that they were structured. The interplay between domestic political institutions and policy legacies created a unique institutional environment in Australia and New Zealand that supported a different policy path, including the New Zealand path of punctuated equilibrium and the Australian path of incremental (continual and gradual) change. Important political institutions in both countries (they were also policy legacies) that facilitated and preceded policy change were referenda and independent reviews, such as Royal Commissions.

The influence of *policy legacies* (**Chart 1, 6.**) on alcohol control policy was perhaps the most significant. The divergent alcohol control policies in Australia and New Zealand resulted in different policy legacies. The two oldest policy tools – taxation and (especially) availability controls – left particularly strong and divergent legacies. These legacies, like domestic political institutions, were a filter for ideas, actors and social and economic conditions. Different policy legacies in Australia and New Zealand provided different opportunities for them to influence alcohol control policies. Policy legacies also provided powerful feedback and shaped the aims and strategies of actors. In both Australia and New Zealand, the policy legacy created by reducing hotel licence numbers and high barriers to entry created strong incentives for the temperance movement and the industry to work towards the continuation of this status quo – something that was in the interests of both actors (for very different reasons). This created the “Presbyterian and Publican” coalition that became an important influence on the course of alcohol control policy in both countries. However, policy legacies from taxation arrangements in Australia – where the different beverage categories and outlet types received different treatment – created division and conflict within the industry. The most significant demonstration of the influence of policy legacies – and their interplay with political institutions – was the role played by the General Licensing Poll in New Zealand. Despite political institutions that concentrated executive power and should have made achieving policy change simpler than in Australia, for many decades New Zealand alcohol controls experienced rigid stability. This was because of the powerful shaping of the General Licensing Poll, a policy legacy that promoted status quo and became the entire focus of governments, allowing them to not use the concentrated power afforded to them by political institutions. This demonstrated the shaping influence of policy legacies and their role as important institutions.

In both Australia and New Zealand there were a range of “*escape valves*” (**Chart 1, 7.**) used to refer the often thorny political issue of alcohol control policies. These “escape valves” became an outlet for governments in Australia and New Zealand to refer availability issues for either the people or independent experts to decide or advise on. These included a range of approaches under two broad headings of referenda (either binding or non-binding) or Royal Commissions and independent or parliamentary reviews. These “escape valves” became an opportunity for ideas, actors and conditions to influence debates. The various Royal Commissions into alcohol controls during the period in Australia and New Zealand incorporated the ideas, actors and conditions of the time – even where the alcohol control policies of the day did not. These “escape valves” preceded many of the key changes to alcohol availability controls during the period. For example, the most significant changes in New Zealand at critical junctures were preceded by the recommendations of the National Efficiency Board and the Laking Committee. Although some “escape valves” led to significant changes, others reinforced the status quo due to their design. The General Licensing Poll became a way for successive governments to refer the “alcohol question” to the people (and to become a focus for actors), yet it was designed in such a way that from the 1930s to the 1980s it was virtually guaranteed that it would enforce the status quo.

A clear feature of institutions on alcohol control policy in Australia and New Zealand was their level of *difference* throughout (**Chart 1, 8.**). Whereas the other external influences (ideas, actors and socio-economic conditions) displayed a high level of similarity, institutions (political and policy legacies) had a consistent and high level of difference. It was therefore the shaping and filtering influence of institutions that drove the divergence in alcohol control policies between Australia and New Zealand. These differences were pronounced and influential for both domestic political institutions and (especially) the legacies generated from previous policy choices.

The dependent variable that was comparatively assessed in this analysis was *national alcohol control policy* (**Chart 1, 9.**) in Australia and New Zealand. While during the early part of the period this was done by tracing the policies for availability controls and taxation, from later in the 20th century it incorporated other instruments: drink-driving countermeasures, advertising controls, treatment and national alcohol policies. In the unitary state of New Zealand the alcohol control policies were assessed by identifying the approaches for each of

these instruments. In the Australian federation, national alcohol control policy incorporated a wider range of approaches because many policy tools were the responsibility of State Governments. The approach in each State varied and assessing the national approach to alcohol control policy required sensitivity to this. As the dependent variable, alcohol control policy was influenced by a range of factors. However, the primary influences were in the layer of institutions that mediated and filtered the impact of ideas, actors and conditions. These institutions included domestic political institutions, policy legacies and the various “escape valves” used by Governments in Australia and New Zealand to refer difficult issues around the “alcohol question”. The divergent institutions, and the interplay and relationships between them, resulted in divergent values on the dependent variable of national alcohol control policies in Australia and New Zealand. These policies, once in place, also became a critical independent variable. Policy legacies were perhaps the most significant influencing factor that shaped subsequent alcohol control policy developments.

There was ongoing *divergence* (**Chart 1, 10.**) in alcohol control policies between Australia and New Zealand. Despite the strong similarities between the two countries and their people – and the strong similarities of influencing ideas, actors and social and economic conditions – there was a high level of policy divergence between the two countries. This was influenced by the strong difference in the institutional layer of the two countries that shaped and filtered these external influences. Domestic political institutions and (especially) policy legacies shaped the divergent alcohol control policy paths, where Australian institutions supported a path of incremental change but New Zealand’s supported a path of punctuated equilibrium. This resulted in ongoing policy divergence in alcohol controls between Australia and New Zealand during the period 1900-2010.

8.5 Conclusion

A comparative assessment of alcohol control policies in Australia and New Zealand during the period (1900-2010) highlights significant divergence. This was despite both countries having similar alcohol control policies at the start of the 20th century. Australia and New Zealand also shared many similarities throughout including: alcohol consumption, culture, demography, and economy; as well as similar alcohol policy actors and ideas. The key

difference between the two countries was their comparative institutions, both political institutions and policy legacies.

The policy divergence was best viewed through an assessment of the main area of alcohol control throughout the period. Availability controls were similar until World War One, when different policy choices shaped a divergent policy development path in New Zealand. Controls in Australia continued to develop with regular, incremental changes. However, New Zealand was characterised by two periods of massive change that bookended seven decades of rigid stability. The introduction of the General Licensing Poll in 1918 helped to lock in a different path. It became the key arena for policy debates and therefore a focus for key actors (the “Presbyterian and Publican” coalition), and allowed successive governments to remove themselves from taking a position on availability controls. Through these mechanisms it also locked in temperance ideas. New actors, new policy instruments, and new ideas were impeded in New Zealand. Alcohol control policies were therefore more heavily shaped towards rigidity during this period than Australia’s.

By the 1980s, alcohol controls in Australia and New Zealand were divergent. Australia’s alcohol controls had developed incrementally, but New Zealand’s had remained rigid and struggled to incorporate new ideas or address new challenges. This changed significantly in the late 1980s when New Zealand’s alcohol controls experienced massive and rapid changes, while Australia’s continued along a relative path of incremental change. This highlighted the impact of institutions on alcohol control policies. The combination of political and policy institutions that drove rigid stability in New Zealand for seven decades were either used or swept aside during the period of neo-liberal reforms. There were massive changes to the most significant policy instrument – availability controls – as well as major changes to alcohol taxation and advertising controls. However, there was little action on newer, more public health focused policy tools such as drink-driving countermeasures, treatment and a national alcohol policy. This experience was different to Australia, where liberalising but incremental changes to availability controls were implemented and other policy instruments were introduced, strengthened or converted towards public health goals.

The massive changes in New Zealand during the 1980s demonstrated the impact of institutions. The conditions that led to the changes were multi-faceted, including political, economic, and fiscal crises that met rigid and out-dated policies. But these conditions were

not significantly different from those in Australia. The key difference was that each country had very different institutions. New Zealand's political institutions concentrated executive power and allowed the country to develop greater levels of state capacity. The rigidity of availability controls in the previous seven decades was rapidly swept aside, supported and underpinned by key state actors supportive of neo-liberalism. Once the Government had decided to make significant changes, they used the concentrated power afforded to the executive in New Zealand. The only check on their power proved to be another parliamentary institution, the conscience vote. The different institutions – both political and policy legacies – drove divergence in alcohol control policies after World War One. This was despite similar starting points, similar populations, and similar influences throughout.

Divergence was the defining feature of comparative alcohol control policies in Australia and New Zealand. An assessment of the key points of divergence identified three key institutional differences that shaped this divergence. The first and most significant was the different policy legacies. The policy divergence commenced from World War One, pointing to the heavy shaping influence of policy legacies – in particular the General Licensing Poll. The Poll and its interaction with New Zealand's political institutions (that concentrated power and made alcohol control votes chaotic and unpredictable) shaped rigid stability compared to Australia. The second key difference was the division of powers. In Australia responsibility for alcohol control policy instruments largely rested with State Governments. Each State had unique alcohol control policies that resulted in a plethora of approaches throughout the country. This contrasted with the single responsibility of the New Zealand Government for alcohol controls that resulted in a uniform approach. The division of powers was particularly influential for policy instruments that were the domain of State Governments in Australia. The third key difference was the political institutions that concentrated executive power in New Zealand and dispersed it in Australia. This gave the New Zealand state greater capacity to intervene in the economic and social life of its citizens. The New Zealand executive had comparatively few checks on power compared to the Australian system where the: division of powers, parliamentary structure, written constitution, and strong judiciary all placed limits on the capacity of the state. Despite this divergence, governments in both countries preferred to use the “escape valves” available to them to refer the often difficult issues associated with alcohol controls (especially availability controls). This included referenda and Royal Commissions or independent reviews. These mechanisms sometimes supported status quo (in the case of referenda) or changes (in the case of independent reviews).

HI scholars have highlighted the important role that institutions play in shaping policies, and that the design of institutions will have a significant impact on policy debates. The key tenets of HI were confirmed in the two cases and helped to explain the course of policy development. In addition, an HI approach illuminated the reasons why two very similar countries followed different policy paths, despite similar starting points and pressures. The work of Theodore Lowi helped to explain why policy legacies (especially the General Licensing Poll) were so influential in driving divergence for much of the period – often more influential than political institutions.

As many HI scholars have argued, different institutions provided a range of opportunities and constraints that shaped alcohol control policies. These institutional differences, when assessed through an HI prism, highlighted greater capacity for policy changes in the New Zealand system, as well as greater unpredictability in the outcome. But these differences alone could not explain the divergent alcohol control policy paths during the period. The insight that helped to explain the divergence came from identifying the *feedback* from policy legacies. The most important divergent policy choice was in New Zealand, where the General Licensing Poll was introduced in 1918. The critical element of the Poll was the way that it structured actor behaviour, the future policy debate and role for ideas. The Poll helped to lock-in a policy development path of rigid stability that kept out new ideas, new actors and new policies when compared to the Australian path of incremental development. Consistent with the findings of Lowi and HI scholars such as Pierson, the Poll was a clear example of how policy legacies need to be considered as institutions that have a significant capacity to shape policy developments through their capacity to structure actor behaviour and policy debates. In fact, the feedback from policy legacies proved to be more influential for much of the period than the different political institutions that concentrated power in New Zealand and dispersed it in Australia. By only focusing on political institutions, this study would not have been able to adequately explain the divergence in alcohol controls. This demonstrated why institutionalist works need to incorporate an analysis of policy legacies as argued by Lowi and Pierson. The *interplay* between political institutions and policy legacies shaped alcohol control policies in Australia and New Zealand during the period.

This chapter has argued that the cases provided strong support for many arguments of HI scholars in recent years. The comparative approach with a focus on mid-level political

institutions and policy legacies was important in identifying and explaining the divergence in alcohol control policies between Australia and New Zealand during the period. The key findings of HI scholars were confirmed by many of the findings. HI models for understanding policy development and change assisted in identifying and explaining the divergent paths followed by Australian and New Zealand alcohol control during the period. Incrementalism and the work of authors such as March and Olsen (1989), Hall (1993), and Thelen (2003) helped to explain the pattern of Australian alcohol controls while critical junctures and the work of Collier and Collier (1991) assisted in explaining the divergent development in New Zealand. Although neither case formed an “ideal type”, these concepts developed by historical institutionalists proved to be very useful in making sense of divergent alcohol control policy paths. However, the key driver that shaped the divergent approach to alcohol control policy development in New Zealand was policy legacies. These legacies proved to be more important than formal political institutions and confirmed the work of the political scientist Theodore Lowi (1964, 1972, 1986, 1987) and some historical institutionalists (Pierson 2004) that identified the role that policy legacies played in shaping policy developments.

This chapter also developed a model that demonstrates how the interaction between the variables influences the comparative policy path. The model highlights that actors, ideas and socio-economic conditions, which were all similar between the two cases, were shaped and mediated by institutions (political and policy). The dependent variable, alcohol control policies, was also an independent variable. It was the differences in this institutional layer that shaped the different way that forces impacted on alcohol control policies across Australia and New Zealand and resulted in divergent policies over the period. This model was consistent with the findings and approach of other HI scholars. The two most surprising elements of the findings were: the significant impact of policy legacies that confirmed the findings of Lowi, and the preference across both cases for governments to use “escape valves” (referenda and independent reviews) to advise and guide their decision making.

Chapter 9 Conclusion

This comparative and historical analysis of alcohol control policies in Australia and New Zealand from 1900 to 2010 from a historical institutionalist perspective provided insights. A major finding was the divergent alcohol control policies during the period. The divergence was unexpected given the similarity of the two countries. This divergence became pronounced after World War One and, if anything, intensified over time. In 2010, the alcohol control policies in Australia and New Zealand were less similar than they were in 1900. The divergence was particularly pronounced for the major instrument of alcohol control throughout the period, availability controls. Australian alcohol availability controls followed a path of incremental change as new ideas and policy instruments became available, they were also diverse because availability was a State Government responsibility and each had a different approach. New Zealand's availability controls, on the other hand, followed a very different path. There were two brief periods of significant change (World War One and the late 1980s), with a period of rigid policy stability in between. These divergent approaches were also evident in the introduction and take-up of other instruments of alcohol control, including: taxation, drink-driving countermeasures, treatment, advertising controls, and national alcohol policies. In all areas except advertising controls, the divergence between Australia and New Zealand intensified over time. These findings were contrary to the oft held view that public policies will converge over time as research and experience highlights the optimal path.

The divergence highlighted two specific national development paths. Historical institutionalists have identified processes for explaining policy change, including incrementalism and critical junctures. While neither case formed an "ideal type", Australian alcohol controls were consistent with incrementalism and New Zealand's with the punctuated equilibrium model of policy change. Australian alcohol control policies included regular and gradual changes, without periods of rapid and dramatic change. These were broadly in line with the processes identified by scholars such as March and Olsen (1989). New Zealand's alcohol controls began to diverge after World War One. Decisions taken at this critical juncture set New Zealand alcohol controls in a direction that diverged from Australia. The divergence increased over time and then intensified further in the 1980s with another period of rapid and dramatic change at another critical juncture. This path of punctuated evolution,

or critical junctures, followed by “locked-in” periods of rigid stability, was in line with the arguments of scholars such as Collier and Collier (1991). New Zealand’s two critical junctures were both at times of external crisis: the first as a result of participation in World War One, and the second as a result of the economic challenges of the 1980s. These external crises were also present in Australia, yet they responded in very different ways.

The causes of alcohol control policy divergence in Australia and New Zealand were the different institutions. Australia and New Zealand had very similar histories, cultures, economies, policy actors and exposure to ideas and international trends throughout the period. These factors were therefore not significant in driving the policy divergence that emerged and intensified. The institutional differences that drove the policy divergence fell into two main categories.

1. Formal political institutions – Australia and New Zealand had vastly different division of power arrangements with Australia a federation and New Zealand a unitary system. This was the primary political institutional difference that shaped and mediated the divergence in alcohol control policies during the period. However, there were numerous other differences that shaped the divergence: Australia had a formal written constitution but New Zealand relied on conventions; Australia had a High Court that could strike down laws and arbitrate between the levels of government but New Zealand had little judicial power over decisions of parliament; Australia had bi-cameral parliaments with upper houses that could amend or reject legislation from the lower house but New Zealand had a “lame duck” upper house that was eventually abolished; Australia had electoral systems built on preferential voting and some level of proportional representation (for most of the period) but New Zealand had single member electorates and first past the post voting (until 1993); and New Zealand developed a particular parliamentary practice with regard to alcohol issues that resulted in each member being able to vote according to their conscience, rather than their political party. As a result of these different political institutions, New Zealand governments developed a significantly greater capacity to intervene in the economy and society than the more dispersed power available to the Australian state.

2. Policy legacies – Australia and New Zealand made policy decisions at points in time that provided feedback and influenced the strategies of actors. These policy legacies led to the “Presbyterian and Publican” coalition that locked in policy stability over many decades in

both countries, but especially in New Zealand. The reason that New Zealand's coalition was so strong and that policy stability after World War One was so rigid, was due to the General Licensing Poll – a policy decision taken at the end of World War One. For much of the period, the most powerful institution that shaped the divergence in alcohol control policies was policy legacies. Policy legacies from decisions taken at critical junctures (the General Licensing Poll) were more powerful than either formal political institutions or state capacity in driving New Zealand alcohol control down a divergent path to Australia. This was demonstrated following World War One when governments and actors focused all their energy on the General Licensing Poll every three years. The rules surrounding the Poll ensured rigid stability ensued when compared to alcohol control policies in Australia. This occurred despite the political institutions and state capacity that provided greater opportunity for New Zealand Governments to intervene and implement policy changes – a clear demonstration of the influence of policy legacies. The alcoholic beverages industry and the temperance movement were particularly effective in shaping and influencing the course of alcohol control policies when they worked in coalition through a “Presbyterian and Publican” coalition to block changes that were against their interests. These actors were less effective when they worked alone or when they were internally divided. The key determinant of whether actors would work in coalition or competition was the feedback from policy legacies.

The HI approach was very effective for the identification of divergent alcohol control policies in Australia and New Zealand, and the factors that influenced and shaped this divergence. The approach incorporated a comparative, historical and qualitative study that focused on the role played by meso level political institutions and policy legacies. The cases were selected deliberately because of their different value on the independent variables (institutions). The comparative assessment of the same dependent (alcohol control policies) and independent variables (institutions, ideas, actors, and socio-economic conditions) over a long time period allowed for the identification of divergence on the value of the dependent variable and the identification of the likely causes on the value of the independent variables. This method was consistent with other HI research and was well suited to answer the question of whether and why the alcohol control policies in these two countries converged or diverged.

This comparative analysis of Australian and New Zealand alcohol control policies confirmed findings of other HI researchers as well as the earlier findings of Theodore Lowi about the important structuring role played by policy legacies. Key domestic meso-level institutions

(including and especially policy legacies) were important in shaping: alcohol markets; the politics of alcohol controls; and the structure, goals and strategies of policy actors and interest groups. Rather than developing exogenously, markets, politics and interests were all heavily shaped by the different institutions in Australia and New Zealand – and they therefore each had a unique nature. This was consistent with the findings of HI research (Hacker 1998, Vogel 1996, Thelen 1999, Immergut 1998, Pierson 2004), and the “Presbyterian and Publican” coalition that developed was a clear example of the shaping nature of policy legacies. The different domestic institutions also filtered and shaped the influence of trans-national ideas about alcohol and broader approaches to government and the economy. This was seen in the different influence of neo-liberal and temperance ideas on alcohol controls in Australia and New Zealand, and was also consistent with the findings of HI research (King 1992, Andersen 2007).

This analysis highlighted that policy legacies were the major shaping factors of divergence in Australian and New Zealand alcohol controls. It confirmed the findings of Theodore Lowi (1964, 1972, 1987) and historical institutionalists such as Paul Pierson (2004), who argued that public policies and their legacies were the institutions with the most significant impact on national policy development paths. While different political institutions and state capacities were influential at certain points in time, feedback from policies were the most influential institutions after World War One. Lowi’s arguments that public policies developed their own political structures and that regulatory policies produced politics based on conflict, were supported by the cases. Policy legacies were more influential than other institutions in shaping the policy divergence. The cases also supported HI arguments that the interplay between political institutions and policy legacies at particular points in time were the major drivers of policy divergence. Despite optimal policy solutions becoming known later in the period, alcohol controls in Australia and New Zealand showed little sign of any convergence. In fact, at the end of the period the alcohol controls were as divergent as any point during the period.

The future of alcohol control policy in Australia and New Zealand

There is a case for believing that future alcohol control policy in Australia and New Zealand could converge, but a stronger case for continued divergence. The case for convergence is built on a number of premises. Firstly, as more domestic and global research becomes

available about the effectiveness of various alcohol control interventions in a range of nation state settings, there will be pressure applied by various actors for governments to implement these policy solutions. Secondly, the cessation of the General Licensing Poll in the late 1980s removed one of the key policy legacy differences that shaped New Zealand's divergent alcohol control policies over many decades. Thirdly, the reforms to the electoral system in the 1990s reduced the concentration of executive power in New Zealand's political institutions. Finally, the radical introduction of neo-liberal reforms in New Zealand was likely to, over time, reduce the level of state capacity. These all provide convergence pressure on alcohol control policies, because they reduce the institutional differences between Australia and New Zealand. However, the case for ongoing divergence in alcohol control policies remained strong. At the end of the period, Australian and New Zealand political institutions remained very different. Except for the electoral system, they retained all of the differences that were in place during the 20th century that provided significantly more concentrated executive power in New Zealand than in the relatively dispersed Australian system. Similarly, the alcohol control policy legacies at the end of the period remained very different. The experience during the period from 1900 to 2010 would suggest that these differences will remain highly influential in shaping the influence of actors, ideas and socio-economic conditions into the future.

The case for ongoing divergence was therefore stronger than the case for policy convergence. The pressures for policy convergence were in existence for at least the last two decades of the period, yet divergence in Australian and New Zealand alcohol controls in 2010 remained as strong as ever. Evidence about optimal policy solutions, the removal of the General Licensing Poll in New Zealand, and electoral reforms in New Zealand were all in place by the mid-1990s. Drawing from the findings, it could be assumed that New Zealand alcohol controls will be skewed towards major changes at critical junctures and rigid stability in between. Whereas Australian alcohol controls in the dispersed federal system will be skewed towards incremental change as new ideas, policy instruments, or policy challenges emerge.

The findings and the model for identifying the causes of divergent policy development paths in Australian and New Zealand alcohol controls have some application to other cases. Further research comparing alcohol controls during the same period across other countries would be of significant value to identify the causal impact of institutions. There would also be great value in other policy comparisons between Australia and New Zealand using the HI

approach. These two countries were ideal to compare using this approach, because of the many historic and cultural similarities and the common influence of actors, ideas and socio-economic conditions – but different institutions. However, the capacity for the findings to explain other cases is limited because of the critical nature of context and timing, and the interplay of domestic political institutions and policy legacies that are unique to the specific policy area, time and place. Specific findings like the “Presbyterians and Publicans” in Australia and New Zealand may be found in other areas of policy, but they are more likely to be unique to the context of these two cases. Modern alcohol control policy advocates can also take some comfort that their failure to achieve preferred policy solutions has not been due to lack of application or even necessarily the actions of other policy actors. Greater forces were at play. The often unobserved but highly influential institutions that each country and policy area have in place have been, and continue to be, the most significant determinant of a national alcohol control policy path – regardless of whether the optimal policy solution for public health can be identified.

This analysis has highlighted areas of broader significance and potential areas for further study. The influences on alcohol control policies in Australia and New Zealand were strongly shaped and mediated by domestic political institutions and policy legacies. Although the policy actors, ideas and socio-economic conditions were very similar across both countries, the different institutions shaped how they influenced alcohol control policies and explained why the resulting policies diverged so strongly throughout the period. This debunked the myth that alcohol control policies do not converge towards the most effective approaches because of key actors, especially the alcoholic beverages industry. This analysis has extended on the findings of Yandle (1983) of a “Bootlegger and Baptist” coalition where unlikely actors are brought together to preserve the benefits that a particular policy approach bestows upon them. It would be valuable for further research in other jurisdictions and other time periods to determine whether the “Presbyterian and Publican” coalition identified in Australia and New Zealand was a phenomenon in other alcohol control systems or heavily regulated sectors. In addition, this analysis identified the use by both Australian and New Zealand Governments of “escape valves” to deflect polarising debates to the people through referenda or independent experts through Royal Commissions. These reinforced the status quo (referenda) or were catalysts for change (Royal Commissions and independent reviews). There would again be value in further research exploring the extent and impact of these “escape valves” in other jurisdictions or other areas of policy. However, at a general level

there is also value in further political science research into this fascinating, ancient and understudied area of public policy.

This analysis has also provided support for the approach and theoretical foundations of HI. A case based study of “most similar” cases that focused on meso-level institutions over a long time period was very effective in identifying policy divergence and explaining how institutions shaped this divergence. Australia and New Zealand were ideal cases for this purpose and were well suited to comparative analysis from an HI perspective. Many of the findings of HI scholars and the theory developed about the impact of institutions in shaping public policy were also supported. In addition, this analysis identified a number of implications that could further extend the explanatory power of HI. Firstly, this analysis demonstrated the importance of considering policy legacies as institutions (confirming the work of Pierson) that can have an even greater shaping and mediating influence on public policy than political institutions. This was shown by the influence of the General Licensing Poll on alcohol control policy stability from 1918-89 in New Zealand. Secondly, the work of Lowi (1964, 1972, 1987) can add further richness to HI analysis by highlighting the mechanisms by which policies (especially regulatory policies) can shape politics and actor strategy. Thirdly, the work of Yandle (1983) can explain how regulations induce strong reactions from actors that benefit from that regulation and create incentives for unlikely coalitions that can effectively influence in favour of policy status quo.

This analysis also highlighted ongoing policy implications for alcohol controls. The most powerful shaping forces for the course of alcohol control policies were institutions. In particular, the feedback from policy legacies showed that when governments make policy they create powerful future institutions that shape and constrain future policy possibilities. Actors and those involved in the policy process should therefore pay close attention to the institutional environment of formal political institutions and policy legacies, as they will inevitably determine the prospects for particular policy prescriptions. This analysis also encourages alcohol policy actors to take a longer term view in order to understand the type of policy change that might be possible based on the nature of political institutions and policy legacies. Similarly, policy makers need to be aware of the long-term consequences of policies that they implement, as they are likely to last well beyond the horizons of their designers. Regulatory policies like alcohol controls create incentives for some actors to strongly support the status quo because of the benefits that they receive from operating in a

constrained market. Finally, this analysis means that understanding and being able to identify the most effective alcohol control policy instruments is not enough. This is because achieving policy change is often hard and constrained by institutions.

Appendix 1: Local Option and related matters in each Australian State (starting at 1912 – after the commencement of local option in Western Australia)

The following is a summary of the key elements of local option in each Australian State:

New South Wales

Legislative Basis – *Liquor Amendment Act 1905 and 1907*

Instigation of polls – from 1 January 1906 to be taken in every electorate on the day of the General Election by all persons entitled to vote

Resolutions submitted – as follows:

- a) That the number of existing licences continue
- b) That the number of existing licences be reduced
- c) That no licences be granted in the electorate
- d) That licences be restored in the electorate (where resolution c has been carried)

Rules governing polls – as follows:

- Resolutions *a* and *b* carried by a simple majority
- Resolutions *c* and *d* carried by a three fifths majority and at least 30% of the number of electors vote for the resolution
- If resolution *c* is not carried, then the votes in favour of that resolution are added to *b*

Effects of resolutions – as follows:

- If *a* is carried then the number of licences may not exceed the number at the time of the vote

- If *b* is carried then the number of licences must be reduced, and may be reduced to three quarters of the number at the time of the vote (determined by the Licensing Court as to the number and which premises are closed, with preference given to be best conducted premises)
- If *c* is carried then no licences may be granted, renewed or transferred
- If *d* is carried then licences may be granted, renewed or transferred but not so that the number of licences exceeds the number when *c* was carried

Other Matters – nil

Results – as follows:

- 1907 continuance carried in 25 electorates, reduction in 65, and no licence in 0; 293 hotels were closed
- 1910 continuance carried in 76 electorates, reduction in 14, and no licence in 0; 28 hotels were closed
- 1913 continuance carried in 75 electorates, reduction in 15, and no licence in 0
- 1928 prohibition referendum; 357684 yes, 896752 no

1920-1929 Licences Reduction Board had terminated 371 hotel licences

1920-1935 Licences Reduction Board had terminated 482 hotel licences

Amendments – *Liquor Act 1912, Liquor Amendment Act 1917, Liquor Amendment Act 1919, Liquor Amendment Act 1923*

Local option was suspended for the 1917 General Election.

1919 Act provided for the continuation of six o'clock closing and suspended local option pending a referendum on the question of prohibition, which must be taken within 18 months of the passing of the Act.

1919 Act also established the Licences Reduction Board (from 1920) and the Compensation Assessment Board

1923 fixed a date in 1928 for a prohibition referendum with compensation

1923 Licences Reduction Board and Licensing Court reconstituted from 1924

1923 the funds for compensation obtained through a levy at the rate of 3% on the value of liquor purchased, with one thirds paid by licensees and two thirds by owners

1926 contributions to the compensation fund ceased, with sufficient to cover all possible claims

Victoria

Legislative Basis – *Licensing Act 1890, 1906, 1907*

Instigation of polls – same as New South Wales, although local option does not come into force until 1 January 2017; in the meantime a Licences Reduction Board was established to reduce the number of licences

Resolutions submitted – same as New South Wales, although local option does not come into force until 1 January 2017; in the meantime a Licences Reduction Board was established to reduce the number of licences

Rules governing polls – same as New South Wales, although local option does not come into force until 1 January 2017; in the meantime a Licences Reduction Board was established to reduce the number of licences

Effects of resolutions – same as New South Wales, although local option does not come into force until 1 January 2017; in the meantime a Licences Reduction Board was established to reduce the number of licences. Where any licence existing before the 1st of February 1886 is cancelled as the result of a local option vote, the owner and licensee have each a claim to be paid out of the Compensation Fund.

Other matters – Licences Reduction Board as follows:

- The duties of the Board until 31st December 1916, when local option comes into place, are to: reduce the number of licences in excess of the statutory number (1 licence for every 500 residents), and to award compensation according to the scheme in the 1906 Act

- A Compensation Fund was established that is raised through a compensation fee at the rate of 3% of the value of liquor purchased by licensed victuallers; the owner of the premises charged two thirds and the tenant one third of the compensation fee
- When any reduction has been made, the remaining hotels which will be benefited, will bear a pro rate assessment to make up the licence fees lost
- The compensation is to be based on the results of the three years preceding the Act
- Up to 31st December 1911, 512 had been closed by the Board (159 of these had surrendered licences); compensation was provided in all cases at an average of 475 pounds
- No reduction is allowed in any licensing district in which the number of licensed premises is below the statutory number, but new licences may be granted in such districts until 1917 provided that a majority of the electors vote in favour and at least one third of electors on the roll record their votes

Results – as follows:

1907-1916 Licences Reduction Board had closed 1004 hotels

1907-1920 Licences Reduction Board had closed 1371 hotels

1907-1925 Licences Reduction Board had closed 1546 hotels

1907-1929 Licences Reduction Board had closed 1686 hotels

1920 local option poll – 216 districts; 143 voted for continuance, 71 for reduction, and 2 for no licences (Camberwell and Box Hill)

Amendments – *Licensing Act 1915, Licensing Act 1916, Licensing Act 1922*

1916 Act shifted the first local option poll until the second General Election after 1st January 1917, rather than the first

1916 Act extended the work of the Licences Reduction Board, constituted by the Licensing Court

1916 Act removed the statutory number of licences and was authorised to close hotels in any licensing district as if resolution *b* (reduction by up to one quarter) had been carried, up until October 1920

1916 Act removed the requirement that hotels be licensed prior to 1886 to be entitled to compensation

1916 Act increased the compensation fee from 3% of the value of liquor purchased to 6%

1922 Local option as abolished and provision made for a vote of the electors every 8th year on the question of prohibition, the first of which would be held in 1930

1922 each licensing district shall consist of an electoral district

1922 Licensing Court given the power to reduce the number of licences which is deemed greater than the number necessary for the convenience of the public, not to exceed one fourth of the number able to be renewed

Queensland

Legislative Basis – *Licensing Act 1885*

Instigation of polls – any number, not less than one sixth, of the ratepayers in an area may, in writing, require the chairman of the local authority to take a poll to the ratepayers for or against the resolutions to have effect within the area. The provision may be applied to any municipality or division (or subdivision) which forms part of one licensing district. The persons entitled to vote are those on the electoral roll or rate book of the municipality or division.

Resolutions submitted – as follows:

- a) That the sale of liquor be prohibited
- b) That the number of existing licences be reduced to a certain number, specified in the notice, not less than two thirds of the existing number
- c) That no new licences be granted

Rules governing polls – as follows:

- Resolutions *b* and *c* carried by a simple majority
- Resolutions *a* cannot be carried unless a two thirds majority of the votes are in favour of its adoption

Effects of resolutions – as follows:

- If *a* is adopted then it comes into force on the 30th of June in the year following when the notice of the poll was given
- If *b* is adopted then the licensing authority must restrict the number of licences granted or renewed to within the number specified
- If *c* is adopted then the licensing authority may not grant any new certificates
- If *a* is adopted, then a poll may not be demanded until 3 years from the date of adoption and may be taken on resolution *a* only
- If *b* is adopted, then a poll may be demanded on it or a further reduction, or resolutions *a* or *c*, until 2 years after the last poll was taken
- If *c* is adopted, then a poll may be demanded on it or resolutions *a* or *b*, but not until 2 years after the last poll was taken
- If all resolutions are rejected, a poll may not be demanded until 2 years from the date of the last poll

Other Matters – nil

Results – as follows:

- 1909
 - resolution *a* in place in three areas: Tambourine shire (subdivision 3), Tiaro shire (Bauple district), and Inglewood shire (town of Silverspur);
 - resolution *b* in place – nil
 - resolution *c* in place in 88 areas
- 1912
 - Resolution *a* in place in one area: Tiaro shire, Bauple district
 - resolution *b* in place – nil
 - resolution *c* in place in 182 areas
- 1913 10 districts voted on the resolution that new licences be granted: 5 carried and 5 defeated
- 1914 16 districts voted on the resolution that new licences be granted: 11 carried and 5 defeated
- 1915 16 districts voted on the resolution that new licences be granted: 10 carried and 6 defeated

- 1917 57 polls were taken, 55 voted on the resolution that licences be reduced, carried in 4; increase was carried in 2
- 1919 12 polls were taken, 11 on the resolution of an increase, carried in 5; 1 on the question of reduction which was defeated
- 1920 triennial poll, 14 areas voted for prohibition and 58 for continuance; continuance was carried for the state
- 1923 13 polls were taken on the question of an increase, carried in 3
- 1925 43 polls were taken, 25 on the question of prohibition, 18 on the question of an increase
- 1923 triennial poll, 44 areas voted for prohibition and 68 for continuance; continuance was carried for the state
- 1928 30 polls taken, 26 on the question of increase, increase carried in 10; 4 on the question of reduction, none carried

Amendments – *Licensing Act 1912, Licensing Act 1914, Liquor Amendment Act 1920, Liquor Amendment Act 1923, Liquor Amendment Act 1926*

1912 Act stipulated that from April 1913, and until the completion of the business of the Licensing Court in April 1916, that no new licences shall be granted unless the voters of the local option area have carried a resolution that new licences shall be granted. If the resolution is carried, the Court may grant applications. A vote may be taken in any of the years 1913-6, but cannot be taken twice in the same local option area

1914 Act stipulated that from 1917, and on the request of one tenth of the number of electors that the resolutions include: a) reduction by one quarter, b) further reduction by one quarter, c) further reduction by one quarter, d) prohibition, or e) new licences

1920 local option vote must be taken every three years in the month of May, but no vote can be taken on the same day as a State or Commonwealth General Election

1920 triennial polls throughout the state on the following resolutions: state management, prohibition, or continuance

1926 local option polls changed to every 7th year after the 1928 poll

South Australia

Legislative Basis – *Licensing Act 1908, Licensing Act 1917*

Instigation of polls – each electoral district is constituted a local option district, and each electoral district may be divided into local option districts by proclamation of the Governor. A quorum of 500 electors, or one tenth of the total number of electors (whichever is smaller), in any district may petition the Governor for a local option poll. Those on the electoral roll who reside in the local option district may vote.

Resolutions submitted – as follows (at every poll):

- a) That the number of licences be reduced
- b) That the number of licences remains the same
- c) That the number of licences be increased at the discretion of the Licensing Bench

Rules governing polls – as follows:

- If votes for resolution *a* do not constitute a majority, the votes will be added in favour of resolution *b*
- If the sum of votes in favour of resolutions *a* and *b* do not constitute a majority, the votes are added to those in favour of resolution *c*

Effects of resolutions – as follows:

- If *a* is carried then the number of licences is reduced by one third, unless there are less than 3 in the district
- Special Benches consisting of three members, appointed by the Governor, is provided to give effect to resolution *a*

Other Matters – nil

Results – as follows:

- Prior to 1908, resolution *a* had been adopted in 9 districts, but in 4 the polls were declared void; 48 licences had not been renewed
- 1910 polls were taken in 24 districts (the remaining 9 did not petition for polls), resolution *a* was carried in 1 district (Wallaroo), the remaining 23 districts voted in favour of resolution *b*
- 1912 no polls held
- 1915 poll held in Port Lincoln and *b* confirmed
- 1924 poll held in Encounter Bay and *b* confirmed
- 1927 polls held in 30 districts and *b* confirmed in all districts

Amendments –

1917 local option districts were re-proclaimed and numbered 35

Western Australia

Legislative Basis – *Licensing Act 1911*

Instigation of polls – polls to be held on or before April 1911 and in every third year thereafter (1920 excepted).

Resolutions submitted – as follows:

- a) That the number of licences in the district continue
- b) That the number of licences in the district be increased
- c) That the number of licences in the district be reduced
- d) That no licences be granted or renewed in the district
- e) That licences be restored in the district

Resolutions *a*, *c* and *d* are not be submitted until after the 21st December 1920.

At the taking of every local option vote, the following questions will also be put before the electors:

1. Do you vote that all new publicans' general licences in the district shall be held by the State? And
2. Are you in favour of State management throughout the district?

Rules governing polls – as follows:

- Resolutions *a*, *b* and *c* are deemed to be carried if a majority of votes is in favour of such a resolution
- Provided that if resolution *b* has not been carried, the votes given in favour of that resolution shall, if resolution *a* has been submitted at the same time, be added to the votes given for resolution *a* and shall be deemed to have been given in favour of resolution *a*
- Resolution *d* is carried if at least three fifths of the votes are in favour of that resolution and that where it has not been carried, the votes given for it shall be added to those given for resolution *c*
- Resolution *e* is carried if at least three fifths of the number of votes are given in favour
- Resolutions *d* or *e* shall not be carried unless 30% or more of the number of electors in the licensing district vote for the resolution

Effects of resolutions – as follows:

- If *a* is carried, or in the case of a local option poll taken before the end of 1920, if *b* is negatived then the number of licences may not exceed the number at the time of the vote
- If *b* is carried the Licensing Court may increase the number of licences
- If *c* is carried the number of licences at the time of the vote shall be reduced may be reduced to three quarters of the number of licences at the time of the vote
- If *d* is carried then no licences shall be granted, renewed or transferred

- If *e* is carried, licences may be granted, renewed or transferred but the number of licences shall not be greater than the number held when *d* was carried in the district, and if it is not carried, *d* previously carried shall continue to have effect

Other Matters – nil

Results – as follows:

- 1911 Resolution b – affirmative 4554, negative 17623; new licences to be held by the State – affirmative 27007, negative 14387; state management throughout the district – affirmative 26631, negative 14944
- 1921 32 districts voted for continuance and 10 voted for reduction; new licences to be held by the State – affirmative 30154, negative 24377; state management throughout the district – affirmative 28915, negative 24938
- 1925 prohibition was defeated; 41362 in favour and 77113 against

Amendments – *Licensing Amendment Act 1922*

Amendments in 1913 and 1915 that deferred polls until 1918

Referendum in the Goldfields in 1916 on opening hours and 11pm was fixed as the hour of closing, whereas the rest of the state was 9pm

1922 Local option was repealed and a Licences Reduction Board constituted that was charged with the duty of reducing the number of licences throughout the state for a period of 6 years from 1 January 1923

1922 Compensation Fund is formed by a levy of 2% on the amount of liquor purchased

1922 the Licensing Magistrates form the Licences Reduction Board, owners and licensee must be summoned before the Board to show cause why their premises should not be deprived of a licence

1925 in the year 1925 and every fifth year after, a poll shall be taken in each electoral district as to whether prohibition shall come into force without compensation; the proposal is carried if three fifths of the number of votes are in favour and 30% or more of the electors vote for the proposal

Tasmania

Legislative Basis – *Licensing Act 1902*

Instigation of polls – opposition to the grant of a licence may be made: by any resident ratepayer, by petition of ratepayers resident in the neighbourhood, or by local option poll.

Opposition by Resident Ratepayer – as follows:

Any ratepayer resident in the district in respect of an application for a hotel certificate may, by giving 5 days' notice to the Clerk of Petty Sessions, oppose the grant of the certificate before the Licensing Bench.

The objections which may be taken to the granting of a certificate are

- a) That the hotel does not comply with the requirements of the Act, and
- b) That a hotel is not required in the neighbourhood

Petition of Resident Ratepayers – as follows:

The ratepayers resident in the neighbourhood in respect of an application for a licence may petition the Licensing Bench against the granting of such licence. The neighbourhood refers to a space within 200 yards from the front door if within a city, within 800 yards if within a town, and within 2 miles if not situated within a city or town. If the petition is directed against the granting of a certificate, and is signed by a majority of the resident ratepayers, the bench must refuse to grant the certificate.

Local Option Poll – as follows:

Any number of ratepayers, not less than 7, resident in the neighbourhood, may require (by petition lodged with the Clerk of Petty Sessions) that a poll of the ratepayers resident in the neighbourhood be taken upon the question of whether a certificate be granted or not. If a

majority of the votes taken are against the granting of the certificate the Licensing Bench must refuse to grant it.

Other Matters – nil

Results –

- 1923/4 polls held in 40 municipalities, with only 1 achieving the necessary minimum number of voters (Launceston, voted for continuance)
- 1926/7 polls held in 42 municipalities, with only 1 achieving the necessary minimum number of voters (New Norfolk, voted for continuance)

Amendments –

1917 a poll of ratepayers be held every three years on the question of local option with the resolutions a) continuance or b) reduction with a requirement for a minimum of 25% of the number of electors voting for such resolution (reduction)

Appendix 2 – Availability Controls in Australia

Control	NSW	VIC	QLD	Other
Local Option	<p>1881 ratepayers given right to veto new licences in their districts with polls held with colonial elections</p> <p>1905 polls held with parliamentary elections to decide continuance, reduction or no licence in each electorate – 60% requirement for no licence (with no compensation)</p> <p>1907 first no licence poll; continuance gets 45.1% of vote, reduction 16.3%, no licence 38.5%</p> <p>1910 second poll; continuance gets 56.3%, reduction 6.7%, no licence 36.9%</p> <p>1911 virtually no licences reduced since commencement of local option in 1880s</p> <p>1913 continuance 56.7%, reduction 6.6%, no licence 36.7%</p> <p>1916 local option suspended</p> <p>1928 local option suspended</p>	<p>1885 residents can reduce the number of hotels in a suburb to one for every 500 residents</p> <p>1887 5 districts vote for reduction to one licence for every 500 residents, but 4 results overturned on appeal (only Geelong reduced)</p> <p>1902 North Melbourne votes for reduction with 37 hotels closed</p> <p>1906 local option vote for no licence in addition to continuance and reduction, with provisions to not apply for a decade</p> <p>1885-1911 217 hotels had been closed through local option reductions</p> <p>1916 local option postponed until 1920</p> <p>1917 no licence introduced at polls and required 60% with compensation to be paid from a fund financed by a 3% levy on wholesale liquor purchased by hotels</p> <p>1920 no licence obtained 40% of the vote; of the 216 licensing districts, 143 for continuance, 71 reduction and 2 no licence</p> <p>(Camberwell and Box Hill – remained hotel free until the end of the period)</p> <p>1922 local option abolished in favour of a prohibition</p>	<p>1885 polls allowed residents (after a petition of 10% of voters in the divisions) to veto all future licences, reduce the number of current licences or totally eradicate liquor (with a two thirds majority)</p> <p>1913 10 districts held polls at which 5 voted against increasing licences</p> <p>1925 majority for prohibition in only 3 southern electorates, majority against prohibition in 20</p> <p>1925 northern electorates, 2 against increase and 16 for increase</p> <p>1928 polls taken in 26 districts on allowing new licences to be granted, most rejected</p> <p>1935 local option polls abolished</p>	<p>TAS 1880s local option could veto all new licences</p> <p>SA 1891 local option polls to be taken on the reduction of licences as well as the granting of new ones, compensation paid for extinguished licences but only until 1906</p> <p>TAS 1907 compensation waived in return for 10 year grace period before local option provisions became operative</p> <p>SA 1910 local option polls held in 24 districts, reduction successful in Port Adelaide</p> <p>WA 1911 voters were asked whether they would permit an increase in the number of licences or if they wished to have state control</p> <p>WA 1921 Trade suffered losses at local option poll with reduction carried in some districts but none favoured no licence</p> <p>SA 1967 local option abolished</p>

Control	NSW	VIC	QLD	Other
Local Option (continued)		referendum to be held every 8 years on a statewide rather than electoral division basis 1999 City of Whitehorse (Box Hill) poll that removed need for each restaurant licence to require a poll of residents		
Administration	1881 Licensing Court established 1919 Licence Reduction Board established for 3 years to close hotels and award compensation from a Liquor Compensation Fund raised by a levy on alcohol 1920-35 Board oversees reduction of 291 hotels and 65 wine shops and improves facilities, large amounts of Compensation Fund directed to consolidated revenue 1982 Liquor Administration Board replaced by the Licence Reduction Board	1886 Licensing Court established 1906 Licence Reduction Board established to close hotels deemed unneeded with compensation from a fund 1907-16 Licence Reduction Board closed 1054 hotels and paid compensation of 540,851 pounds 1922 Licensing Fund surpluses transferred to general revenue 1953 Licensing Court given responsibilities to improve drinking the environment 1968 Licence Reduction Board replaced by the Liquor Control Commission	1935 Licensing Commission established	SA Licensing Court established

Control	NSW	VIC	QLD	Other
Hours and Days of Sale	<p>1882 Sunday closing</p> <p>1900 6pm closing of shops</p> <p>1916 6pm closing referendum; 11pm 3193, 10pm 1045, 9pm 178842, 8pm 21134, 7pm 4830, 6pm 347494</p> <p>1916 6pm closing commences for the duration of WW1 and 6 months thereafter</p> <p>1919 6pm closing made permanent after a referendum</p> <p>1947 6pm closing referendum – 6pm 1051260, 9pm 26954, 10pm 604833</p> <p>1954 6pm referendum – 10pm successful by just 9792 votes</p> <p>1969 Sunday trading referendum yes 906276, no 1249835</p> <p>1975 bottleshops can trade until 9pm on late shopping nights</p> <p>1979 Sunday trading</p> <p>1988 hours 5am to midnight, 10 to 10pm on Sunday</p>	<p>1854 Sunday closing</p> <p>1905 6pm closing of shops</p> <p>1916 temporary restriction bill that reduced pub hours from 6am until 11.30pm to 9am until 9pm</p> <p>1916 6pm closing</p> <p>1956 referendum yes to 10 pm closing 530000, no 805000</p> <p>1983 Sunday trading</p> <p>1987 standard 11pm closing</p>	<p>1885 Sunday closing</p> <p>1900 6pm closing of shops</p> <p>1923 8pm closing</p> <p>1939-45 hours 10am to 10pm</p> <p>1961 hotels more than 40 miles from Brisbane could trade Sundays</p> <p>1969 Sunday trading in Brisbane, restaurant hours extended</p>	<p>SA 1896 Sunday closing introduced</p> <p>WA 1897 6pm closing of shops</p> <p>SA 1900 6pm closing of shops</p> <p>TAS 1911 6pm closing of shops</p> <p>SA 1915 referendum on 6 or 11 o'clock closing</p> <p>SA 1916 6pm closing</p> <p>TAS 1916 6pm closing</p> <p>TAS 1937 hotel hours changed from 6pm to 10pm through legislation</p> <p>WA 1960 hours extended to 10pm</p> <p>SA 1967 extended trading hours for retail liquor</p> <p>WA 1970 Sunday trading</p> <p>SA 1974 hours 5am to 10pm Mon – Thu and 5am to midnight Fri-Sat</p> <p>SA 1976 Mon-Thu 5am to midnight</p> <p>WA 1988 Sunday trading extended</p>
Prohibition	<p>1919 referendum on prohibition to be held within 18 months on a day other than state election day, with compensation provided to hotels if prohibition successful</p> <p>1928 Prohibition Poll – continuance 869753, prohibition 357683</p>	<p>1930 prohibition (formerly local option) poll, no licence 43%</p> <p>1938 prohibition poll, no licence 34%</p> <p>1946 eight yearly no licence (local option) polls abolished</p>	<p>1920 prohibition and state control referendum (continuance successful)</p> <p>1923 prohibition and state control referendum (continuance successful)</p>	<p>ACT 1928 a referendum ends the dry capital city</p> <p>WA 1928 poll postponed from 1930 to 1935</p> <p>WA 1934 referendum delayed from 1935 to 1940</p> <p>WA 1939 referendum delayed from 1940 to 1945</p>

Control	NSW	VIC	QLD	Other
Licensing	1905 MLDA of 18 1927 liquor allowed to be served with meals 1940 2761 licences (2035 hotels) 1946-50 300 clubs licensed 1966 theatre licences introduced 1966 off-premise single bottle sales 1969 tavern licences introduced 1970 5201 licences (1975 hotels) 1975 restaurant licences 1979 minimum strength of 4.17% for beer removed, allowing low alcohol	1906 MLDA of 21 1916 no new barmaids allowed to be recruited 1921 the number of hotels per capita had been reduced by half from 1885 levels 1960 restaurant licences 1968 control of licensing vested in the Liquor Control Commission 1975 power to fix beer prices given to the Liquor Control Commission 1983 Removal of minimum pricing 1987 licence categories reduced from 29 to 7 and no requirement for meals and accommodation	1938 Licensing Commission had cancelled 20 hotels and 23 had voluntarily surrendered, 13 issued to new establishments 1961 restaurant licences 1971 MLDA of 18	SA 1908 progressive elimination of barmaids from employment in hotels SA 1967 club licenses introduced SA 1968 MLDA from 21 to 18 WA 1970 MLDA from 21 to 18 and singles bottle sales introduced WA 1983 moratorium on certain liquor licences NT 1992 Halls Creek an example of a community level response to alcohol problems TAS 1974 MLDA of 18

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